Annual Report 2008





Notice



Corporate Office (Registered Office), Tea Board Building (1st floor) 111-113 Motijheel C/A, Dhaka-1000

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

Notice is hereby given to all members of Bank Asia Limited ("the Company") that the **Tenth Annual General Meeting** of the members of the Company will be held on **Monday**, the **15th June**, **2009** at **10:30 AM** at **Winter Garden of Dhaka Sheraton Hotel**, **1 Minto Road**, **Dhaka-1000**, to transact the following business and to adopt necessary resolutions:

AGENDA

- 1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st December, 2008 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- 2. To declare dividend out of the profits for the year ended December 31, 2008.
- 3. To elect Directors in accordance with the provisions of law and the Articles of Association of the Company.
- 4. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
- 5. To transact any other business with the permission of the Chair.

By order of the Board

Dated: Dhaka May 03, 2009 (Aminul Islam)

Company Secretary

Notes:

- a) The Record Date (instead of book closure) of the Company is May 07, 2009. Trading of the Company's shares in the Stock Exchanges will remain suspended on the Record Date.
- b) The shareholders whose names will appear in the Register of Members of the Company as at the close of business on the Record Date will be entitled to attend and vote at the annual general meeting and to the dividend declared in the AGM, if any.
- Any member of the Company entitled to attend and vote at the annual general meeting may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the Company.
- d) The instrument appointing a proxy duly stamped and signed by the Member must be submitted at the Registered Office of the Company at least 48 (forty eight) hours before the meeting. Proxy Form is enclosed.
- e) Election of Directors will be held in the vacant offices of Directors. Election schedule will be displayed in the notice board at the Registered Office in due course. Election rules will be available at the Registered Office of the Company.

Prelude



The Annual Report 2008 is an annual publication of Bank Asia with the intention to highlight the activities and performances of the Bank for the period from 1st January 2008 to 31st December 2008. The report has also covered all the significant developments till its drafting. The main features of the report are "full disclosure" and "transparency". It contains an accurate, true and fair description of the activities of the Bank in all operational areas namely funding, investments, asset liability management, foreign trade, remittance, internal control & compliance, technology, human resource management, risk management, CSR activities etc. The report contains some pictorial display including graphs, charts and tables related to its operations.

We remain conscious that this publication will be a source of immense interest to the stakeholders namely, the shareholders, the depositors, the borrowers, and the investors both existing and prospective. The informative report will work as an effective tool for the regulatory bodies to make a fair assessment as to the quality of the financial statements and degree of compliance with the regulatory requirements. The Report will also be useful to those professional accountants and business students who search for good reference materials for their research work.

Erfanuddin Ahmed

President & Managing Director





Bank Asia's vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream. Our vision is to build a society where human dignity and human rights receive the highest consideration along with reduction of poverty.

Our Mission



To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy.

To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees.

To become the most sought after Bank in the country, rendering technology driven innovative services by our dedicated team of professionals.

Corporate Information

Letter of Intent received : 24/02/1999
 First meeting of the Promoters held : 15/04/1999

> Certificate of Incorporation received : 28/09/1999

➤ Certificate of Commencement of Business : 28/09/1999

First meeting of the Board of Directors held : 01/10/1999

➤ Banking license received : 06/10/1999

First Branch license received : 31/10/1999

➤ Inauguration of Bank : 27/11/1999

Date of Publication of Prospectus : 29/06/2003

Date of IPO Subscription : 23/09/2003, 24/09/2003

➤ Date of First Share Trading in Bourse : 08/01/2004

Date of Agreement with CDBL : 20/12/2005

Date of First Scripless Trading : 30/01/2006

Number of Promoters : 22

Number of Directors : 12

Number of Branches : 36

Auditors : Rahman Rahman Huq

Chartered Accountants

9 Mohakhali C/A (11th & 12th Floors)

Dhaka 1212, Bangladesh.

➤ Legal Advisor : Lee & Associates

Barristers & Advocates

Suit # 5/8, City Heart (4th Floor)

67 Naya Paltan,

Dhaka-1000, Bangladesh

Registered Office : Tea Board Building (1st floor)

111-113, Motijheel C/A, Dhaka – 1000, Bangladesh Phone: (880 2) 7177031, 7177032

7177034, 7160938

Fax: (880 2) 7175524 SWIFT: BALBBDDH

WEB: www.bankasia-bd.com E-mail: bankasia@bankasia.com.bd Internet Banking: www.bankasia.net

Board of Directors

CHAIRMAN

Mr. Anisur Rahman Sinha

VICE CHAIRMEN

Mr. Anwarul Amin

Mr. A M Nurul Islam

DIRECTORS

Mr. Romo Rouf Chowdhury

Ms. Farhana Haq Chowdhury

Ms. Shameem Choudhury

Mr. M. Mustafizur Rahman

(Alternate Director to Mohammed Irfan Syed)

Mr. Shafique Uddin

Mr. Murshed Sultan Chowdhury

Mir Shahjahan

Mr. Faisal Samad

(Alternate Director to Ms. Mahrina Chowdhury)

Lt. Col. (Retd.) Fariduddin Ahmed

PRESIDENT & MANAGING DIRECTOR

Mr. Erfanuddin Ahmed

COMPANY SECRETARY

Mr. Aminul Islam

BOARD'S AUDIT COMMITTEE

Mr. A M Nurul Islam - Chairman
Mr. Anwarul Amin - Member
Mr. Murshed Sultan Chowdhury - Member

Management Executives

PRESIDENT & MANAGING DIRECTOR

Erfanuddin Ahmed

DEPUTY MANAGING DIRECTOR

Aminul Islam

S.M. Khorshed Alam

SENIOR EXECUTIVE VICE PRESIDENT

Irteza Reza Chowdhury Mohammed Roshangir

EXECUTIVE VICE PRESIDENT

A.H.J. Rahman

Nasirul Hossain

Md. Azhar Ali Miah

Syed Nazimuddin

Swapan Dasgupta

Shahrukh Ahmed

SENIOR VICE PRESIDENT

M.M.A. Moquit

Md. Arfan Ali

Rafiqul Hasan

Mohammad Borhanuddin

A.K.M. Shahnawai

Md. Sazzad Hossain

Maruf Mohammed Ahsan

Md. Abu Bakar Lasker

Mohd. Shahabullah

VICE PRESIDENT

Md. Ashrafuddin Ahmed

A.K.M. Shaiful Islam Chowdhury

S.M. Iqbal Hossain

Md. Mozaffor Hossain

Syed Iltefath Hossain

Asadul Karim

Md. Raja Miah

Niaz Ahmed Chowdhury

Nazneen Sultana

Md. Zahid Hossain

Md. Zia Arfin

FIRST VICE PRESIDENT

Md. Ekramul Hossain

Md. Azharul Islam

Afzalul Haq

Sufi Tofail Ahmed

Alamgir Hossain

Md. Azizul Haque Khan

Ali Tarek Parvez

Ashutosh Debnath

Nazim Anwar

AKM Mizanur Rahman

Tahmidul Rashid

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Management Executives

ASSISTANT VICE PRESIDENT

Debasish Karmaker Humayun Yusuf Kabir

K.S.A. Ansari Arequl Arefeen Kamal Uddin Ahmed Md. Saiful Islam Laskar

A.K.M. Rezaul Haque Chowdhury

Md. Murshid Al-Amin Md. Shahidul Islam

Ibne Mohammad Shamsuzzaman

K.M. Sakhawat Hossain Md. Prasanta Samir Md. Tarek Hassan Mehbub Hasan Md. Elias Khan Zahirul Hug

Kazi Shamsul Haque

Khairul Haque

Mohammed Mamun-or-Rashid

Md. Inamul Islam Md. Mortuza Ali M.M. Saiful Islam Md. Jahangir Alam Md. Serajul Islam Faiz Mohammed Syed Md. Ali Reza

Tunku Humayun M. Morshed Md. Omar Hayat Chowdhury

FIRST ASSISTANT VICE PRESIDENT

Md. Hosnezzaman Syed Humayun Kabir Md. Elias Mollah Nesar Ahmed

M.R. Chowdhury Rashed

Md. Mohsin Jamal Sujit Kumer Sen

Mohammad Mainul Islam

Md. Belal Hossain Md. Murshed Alam Muhammed Nizam Uddin Md. Akmal Hossain

Towheedul Islam Emdadul Haque Saiful Islam

M.M. Shariful Islam Mehedi Zaman Khan H.M. Mostafizur Rahman Md. Mazibur Rahman Syed Md. Jarzis

Kazi Nowshaduzzaman Mohammad Mahmud Alam

Hasan A. Saimoom Ahmed A. Jamil Md. Anisur Rahman Mohammed Shahjahan M. Hasibul Alam Md. Moniruzzaman Rownak Amin

A.K.M. Mohsin Uddin Md. Shahidul Islam

Forhad Mohammad Masum

Sarder Nazrul Islam Salman Tariq Ali Arbinda Chowdhury

Shabbir Ahmad Chowdhury

Md. Moinul Islam

Md. Nizam Uddin Ahmed Md. Mansur Ali Miah S. M. Salahuddin

Mohammad Ershad Kamal Mohammad Munzur Rashid

ABM Burhan Uddin

Moshiul Alom

Md. Khalequzzaman Md. Shamim Ahmed Khan

Salahuddin Ahmed Syed Azizul Islam Junaed Ahmed Khan

Kallol Paul

Md. Nashir Uddin Rakibul Hasan Mahbubur Rahman

Shariah Council

We, at Bank Asia Limited, always consider the Shariah compliance as our most significant & strategic priority in Islamic Banking. To ensure our products & services comply with the principles of Islamic Shariah, we have constituted "Bank Asia Shariah Council" consisting of qualified Faqihs (expert on Islamic law), Islamic Scholars & professionals to ensure Shariah compliance in each & every operation.

Bank Asia Shariah Council consists of the following members:

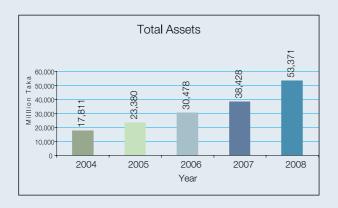
Name	Position In Council	
Moulana Mufti Abdur Rahman	Chairman	
Janab Shafique Uddin	Ex-Officio Member	
Dr. Hafiz G. A. Siddiqi	Member	
Janab Muhammad Mukhlesur Rahman	Member	
Janab Muhammad Zakaria	Member	
Dr. Mohammad Mustafizur Rahman	Member	
Janab Muhammad Mofazzal Hussain Khan	Member	
Dr. Mohd. Haroon Rashid	Member	
Janab M. Azizul Huq Consultant, Bank Asia Islamic Banking	Member	
Janab Erfanuddin Ahmed	Ex-Officio Member	
Janab S.M. Khorshed Alam	Ex-Officio Member	

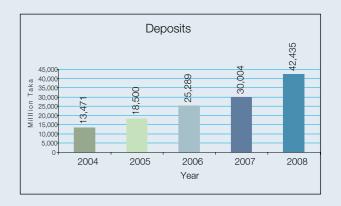
Five Years Performance at a Glance

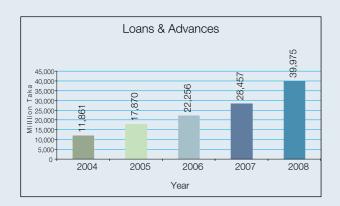
Years	2008	2007	2006	2005	2004
Balance Sheet					
Authorized Capital	4,450,000,000	4,450,000,000	4,450,000,000	1,200,000,000	1,200,000,000
Paid-up Capital	1,743,750,000	1,743,750,000		1,116,000,000	930,000,000
Reserve Fund & Surplus	1,589,207,347	894,658,373		450,982,069	253,470,691
Total Shareholders' Equity		2,638,408,373		1,566,982,069	
Deposits				18,500,070,655	
Loans and Advances Investments			3,345,326,162	17,869,844,542	
Fixed Assets	6,133,814,349 644,249,923	498,428,682	483,472,109	442,167,364	3,240,516,524 116,288,933
Total Assets				23,379,964,628	
Total Off Balance Sheet Items				10,506,223,162	
Interest Earning Assets				21,659,871,655	
Non-Interest Earning Assets		2,023,706,471			
Income Statement					
Interest Income	4,973,111,163	3,662,378,054	2,842,344,252	1,804,370,886	1,291,082,809
Interest Expenses	3,739,016,507	2,705,032,734	2,186,400,440	1,359,605,568	918,599,945
Investment Income	607,148,807	467,160,954	249,375,082	206,647,420	202,791,142
Non-Interest Income	1,051,292,094	829,478,777	682,556,545	513,878,994	373,879,479
Non-Interest Expenses	987,656,984	679,262,277	515,998,280	364,572,996	290,453,862
Total Income	6,631,552,064	4,959,017,785		2,524,897,300	1,867,753,430
Total Expenditure Operating profit	4,726,673,491 1,904,878,573	3,384,295,011 1,574,722,774	2,702,398,720 1,071,877,159	1,724,178,564 800,718,736	1,209,053,807 658,699,623
Profit Before Tax	1,405,742,282		967,104,039	603,600,954	460,555,700
Profit After Tax & Provision	686,704,045	725,643,903	475,759,317	383,511,378	293,747,972
Foreign Exchange Business	000,101,010	7 20,0 10,000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	000,011,070	200,7 11,072
Import	50,985,000,000	39,218,700,000	31,625,600,000	26,352,300,000	18,942,400,000
Export	25,155,300,000	20,417,300,000	17,480,100,000	13,963,700,000	7,103,500,000
Remittance (Inward)	11,648,300,000	11,583,600,000	7,462,100,000	5,128,000,000	2,441,000,000
Credit Quality					
Classified loans	1,072,669,356	695,664,609	504,325,645	494,815,841	391,552,582
Provision for Unclassified Loans	498,244,962	322,343,000	269,355,290	179,773,261	114,282,000
Provision for Classified Loans	644,771,372	417,482,414	332,981,600	318,153,100	186,526,579
Provision for Contingent liabilities	164,767,191	70,338,140	0.070/	0.770/	- 2.200/
Percentage of NPLs to total Loans and Advances Share Information	2.68%	2.44%	2.27%	2.77%	3.30%
No. of shares outstanding	17,437,500	17,437,500	13,950,000	11,160,000	9,300,000
Earnings Per Share	39.38	41.61	42.63	41.24	39.48
Number of Shareholders	8,318	6,672	4,764	3,285	2,200
	-,				
Market Value Per Share	383.25	521.75	428.00	487.75	731.75
Market Value Per Share Price Earning Ratio	383.25 9.73	521.75 12.54	428.00 10.04	487.75 11.83	731.75 18.53
Price Earning Ratio Net Assets Value Per Share					
Price Earning Ratio Net Assets Value Per Share Dividend Per Share	9.73	12.54	10.04	11.83 158.49	18.53
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash	9.73 191.14	12.54 184.76	10.04 174.71	11.83 158.49 10.00%	18.53 159.07
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock	9.73	12.54	10.04	11.83 158.49	18.53
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures	9.73 191.14 23.00%	12.54 184.76 25.00%	10.04 174.71 25.00%	11.83 158.49 10.00% 20.00%	18.53 159.07 25.00%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets	9.73 191.14 23.00% 35,461,643,251	12.54 184.76 25.00% 27,019,087,006	10.04 174.71 25.00% 19,799,994,973	11.83 158.49 10.00% 20.00% 17,389,194,224	18.53 159.07 25.00% 11,635,898,652
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I)	9.73 191.14 23.00% 35,461,643,251 3,317,218,865	12.54 184.76 25.00% 27,019,087,006 2,667,169,291	10.04 174.71 25.00% 19,799,994,973 1,949,741,386	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069	18.53 159.07 25.00% 11,635,898,652 1,183,470,691
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II)	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit)	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit)	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier III Capital Ratio	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier III Capital Ratio Total Capital Ratio Operating Performance Ratio Credit Deposit Ratio	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86% 27.89%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 4.49% 1.93% 28.34%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity Return on Investment	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity Return on Investment Employee Productivity	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86% 27.89% 7.52%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Tier II Capital Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Investment Employee Productivity Deposit Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38%	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86% 27.89% 46,599,674	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07%
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity Return on Investment Employee Productivity Deposit Per Employee Operating Cost Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75% 52,911,769 1,231,492	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86% 27.89% 7.52%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Tier II Capital Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Investment Employee Productivity Deposit Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75%	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008 2,464,355	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 12.95% 5.04% 1.86% 27.89% 7.52% 46,599,674 918,320 2,016,924	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504 1,990,029
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Investment Employee Productivity Deposit Per Employee Operating Cost Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75% 52,911,769 1,231,492 2,375,160	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90%	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 1.97% 12.95% 5.04% 1.86% 27.89% 7.52%	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Investment Employee Productivity Deposit Per Employee Operating Profit Per Employee Loans & Advances Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75% 52,911,769 1,231,492 2,375,160 49,844,138	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008 2,464,355 44,533,559	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90% 49,105,552 1,001,938 2,081,315 43,214,835	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 12.95% 5.04% 1.86% 27.89% 7.52% 46,599,674 918,320 2,016,924 45,012,203	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504 1,990,029 35,834,429
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity Return on Investment Employee Productivity Deposit Per Employee Operating Profit Per Employee Loans & Advances Per Employee Non-interest Income Per Employee	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 1.50% 23.00% 11.75% 52,911,769 1,231,492 2,375,160 49,844,138	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 11.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008 2,464,355 44,533,559	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90% 49,105,552 1,001,938 2,081,315 43,214,835	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 12.95% 5.04% 1.86% 27.89% 7.52% 46,599,674 918,320 2,016,924 45,012,203	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504 1,990,029 35,834,429
Price Earning Ratio Net Assets Value Per Share Dividend Per Share Cash Stock Capital Measures Risk Weighted Assets Core Capital (Tier-I) Supplementary Capital (Tier-II) Capital Surplus/(deficit) Tier I Capital Ratio Tier II Capital Ratio Total Capital Adequacy Ratio Operating Performance Ratio Credit Deposit Ratio Cost of Deposit Administrative Cost Yield on Loans and Advances Spread Return on Assets Return on Equity Return on Investment Employee Productivity Deposit Per Employee Operating Cost Per Employee Loans & Advances Per Employee Non-interest Income Per Employee Other Information	9.73 191.14 23.00% 35,461,643,251 3,317,218,865 670,533,116 441,587,656 9.35% 1.89% 11.24% 94.20% 9.84% 2.33% 14.41% 4.57% 23.00% 11.75% 52,911,769 1,231,492 2,375,160 49,844,133 1,310,838	12.54 184.76 25.00% 27,019,087,006 2,667,169,291 380,208,593 345,469,183 9.87% 1.41% 91.28% 94.84% 9.55% 2.26% 14.28% 4.73% 2.11% 31.63% 12.38% 46,954,755 1,063,008 2,464,355 44,533,559 1,298,089	10.04 174.71 25.00% 19,799,994,973 1,949,741,386 273,579,962 441,321,800 9.85% 1.38% 11.23% 88.00% 8.89% 2.04% 14.07% 5.18% 1.77% 27.06% 8.90% 49,105,552 1,001,938 2,081,315 43,214,835 1,325,353	11.83 158.49 10.00% 20.00% 17,389,194,224 1,473,982,069 183,112,813 92,067,402 8.48% 1.05% 9.53% 96.59% 7.91% 12.95% 5.04% 27.89% 7.52% 46,599,674 918,320 2,016,924 45,012,203 1,294,406	18.53 159.07 25.00% 11,635,898,652 1,183,470,691 117,621,553 253,861,365 10.17% 1.05% 11.18% 88.05% 7.76% 2.16% 12.25% 4.49% 1.93% 28.34% 7.07% 40,697,830 877,504 1,990,029 35,834,429 1,129,545

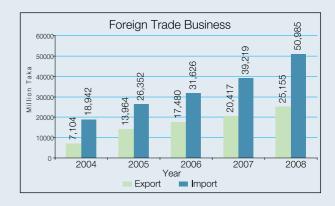
Bank Asia Limited

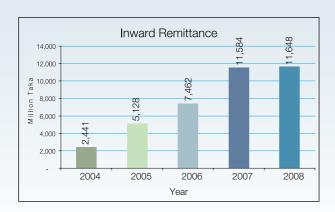
Five Years Performance: Graphical View

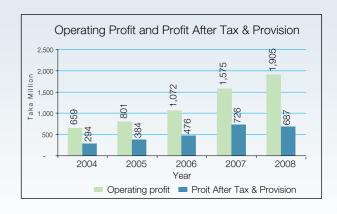


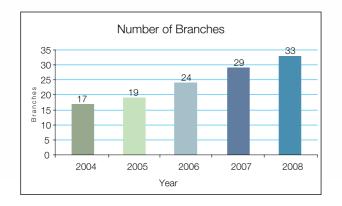


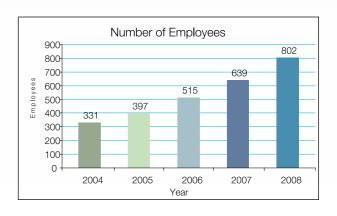




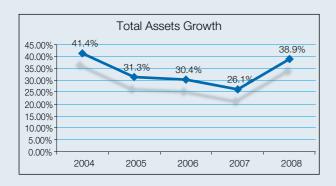


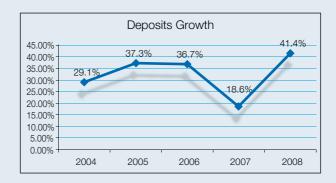


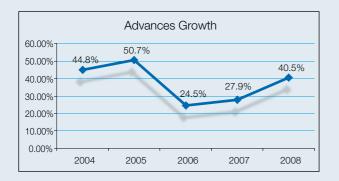




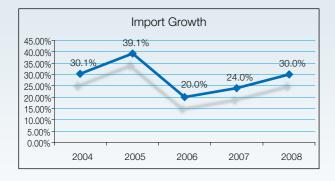
Five Years Performance: Graphical View

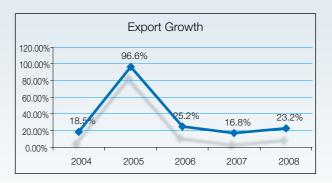


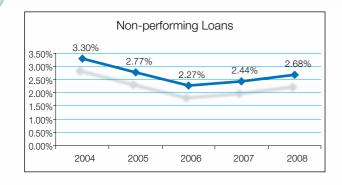


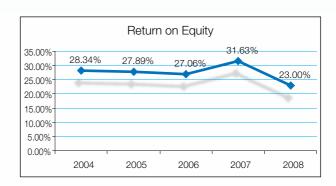








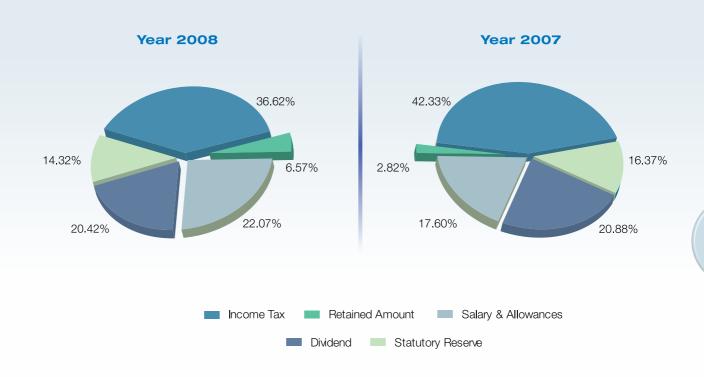




Value Added Statement

Items	2008		2007	
	Taka	%	Taka	%
To Employees as Salary & Allowances	433,280,637	22.07%	293,954,379	17.60%
To Providers of Capital as Dividend	401,062,500	20.42%	348,750,000	20.88%
To Statutory Reserve	281,148,456	14.32%	273,379,222	16.37%
To Government as Income Tax	719,038,237	36.62%	707,121,563	42.33%
Retained for Investment and Future Growth	129,015,480	6.57%	47,139,274	2.82%
Total Value Addition	1,963,545,310	100.00%	1,670,344,438	100.00%

Proportion of Value Addition





Chairman's Address to the Shareholders

Distinguished Shareholders, respected Members of the Board, respected Managing Director and our dedicated Team of Management and Staff -

Assalamu Alaikum.

It gives me immense pleasure in welcoming you to the 10th Annual General Meeting of your Bank. I am really honoured having the opportunity to present for the first time the report of the Board of Directors, the audited balance sheet, the profit and loss account and other financial statements of the Bank for the year 2008 with utmost satisfaction.

The year 2008 was an important year for us as the Bank went through some changes including the composition of the Board of Directors especially at the top level. In the middle of the year, the newly constituted Board was put in place and took steps to move the Bank towards a more

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customer focused and efficient organizational position to face the future challenges. The year 2008 was characterized by combination of expectations and uncertainties, reform initiatives, disruptions, abnormal price situation, global financial crisis and political tensions in the country. I would like to express my gratitude and sincere thanks to all of you for your patronage and continued support without which it would not have been possible for us to take our Bank to a commendable position in such a tough situation.

Respected Shareholders,

Globally the year 2008 was stressful and uncertain due to the economic meltdowns. The debacle started with the subprime mortgage failure in the United States housing market during the summer of 2007 which finally started widening during the year 2008 across the global financial landscape. This debacle became acute with the collapse of some major banking institutions, precipitous falls on stock markets across the world and a credit freeze. These financial shockwaves triggered a full-fledged economic crisis with most advanced countries already in recession and the outlook for emerging and other developing economies deteriorating rapidly including those with a recent history of strong economic performance.

Dear Shareholders,

You know that international trade is one of the main sources of Bank's earnings. The import trade of the country had been increasing during the first six months of 2008 with the increase in domestic demand and increase in international price reflecting the trend of the past few years. The importers were also importing at a high price in view of the increasing domestic demand. But from September-October of 2008, the commodity prices especially food grain, oil and steel experienced drastic fall in prices suddenly in the international markets and the prices of some of the commodities fell even below half of the previous import price overnight. The importers who imported at a high price lost markets of their high priced items and faced a chaotic situation failing to maintain their normal business flow and lost interest in further imports. The banks were, thus, exposed to grave risk for recovery of their import finance. Under these circumstances, the management of the Bank with the proper guidelines received from the Board of Directors took prudent and timely steps which helped the importers to restore their business flow. This was also of crucial help in mitigating the risks and securing the Bank's investment. On the other side of the crisis was that the import volume went down substantially corresponding to the price fall,

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although the import quantity remained the same. This had severe impact on the earnings of the Bank and prompted management to swift action. Several measures namely increase of import volume, curtailing of unnecessary expenditures, diversification of lending operations were initiated which were of great help in creating alternative sources of income and maintaining the growth of income. It is pertinent to mention here that the prompt and concerted efforts of the Board and the Management succeeded in averting a grave risk the Bank was exposed to due to the global economic meltdown.

Respected Shareholders,

During the year under review, our focus and strategy was concentrated on business growth, better and faster customer service, and expansion of branches and ATM network. In the year 2008, the Bank expanded the horizon of its business operations by establishing four new branches, expanding its own ATM network from 13 to 18 and broadening its retail line of products. Along with our traditional banking, we have introduced Islamic banking and Off-shore banking wing at the end of the year 2008. In the year under review, the financial performance of your Bank has also been quite remarkable. Deposits grew by 41%, advances by 40%, import business by 30% and export business by 23%. The operating profit of the Bank reached Tk.1,904.88 million at the end of 2008 showing an increase of about 21% over operating profit of Tk. 1,574.72 million in 2007. This was possible along with restraining classified loans to 2.68% in 2008 in spite of adverse business conditions, and keeping the spread between the lending rate and cost of deposit well below 5%. After making provisions for taxes, loans and off balance sheet items, the net profit for appropriation came to Tk.686.70 million. For 2008, the Board of Directors has recommended a dividend of 23% for the shareholders in the form of stock dividend. This dividend will, in addition to giving a respectable rate of return on shareholders' investment, contribute substantially towards strengthening the capital base of the Bank, and thereby will increase the business scope of the Bank.

You are all aware that strengthening the capital base is an essential pre-requisite for survival in the era of Basel-II system. Bangladesh Bank has directed the private commercial banks to raise their total capital to Tk. 4,000.00 million, out of which the paid up capital will be Tk. 2,000.00 million, by August 2011. After issue of bonus shares for the year 2008, the total capital of the Bank would stand at Tk. 3,987.75 million and the paid up capital at Tk. 2,144.81 million. It means that the regulatory level of paid up capital had, in the meantime,

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been attained and the requirement for total capital would be fulfilled by June 2009.

I am happy to mention that Mr. Erfanuddin Ahmed has assumed the office of the President & Managing Director of the Bank with effect from 7th May 2009 after his predecessor went on retirement on completion of 65 years of age as per rule of the Bangladesh Bank. Prior to this, he was the Deputy Managing Director of the Bank and lastly he held the current charge of the Managing Director. Mr. Ahmed has long banking experience. I am confident that he will work with full commitment, dedication and loyalty to take the Bank to a distinct position. I take this opportunity to express my thanks to the immediate past President & Managing Director Mr. Syed Anisul Huq for his valuable contributions to the growth and development of the Bank.

Honourable Shareholders,

From the very beginning, we recognize the need to develop and promote corporate social responsibility as a part of our business practice, identity and culture. We are committed to be an equal opportunity employer, be an environment protectionist and finally serve the community, of which we are a part. Your Bank has been one of the pioneers to support eco-friendly business like financing CNG conversion and CNG filling stations. We continue to support the born blind children of the country by bearing the cost of ophthalmological surgery needed to restore their eyesight. In order to ensure the future of poor, but meritorious students, we provide scholarship for higher studies through our rural branches. Under this program, presently a total of 80 students are receiving this scholarship. In collaboration with D-Net, the Bank has set up 13 computer learning centers (CLC) in different rural schools through our rural branches and all the CLCs are in full-swing operation. In addition, we are continuously exploring new avenues of providing support for helping the disadvantaged section of the society.

Dear Shareholders,

We are conscious that the year 2009 is going to be more difficult and challenging in the wake of global crisis. To address the situation arising out of global recession and its fall-out on local economy, the Bangladesh Bank had, of late, capped the interest rate on lending at 13%, which will have a significant impact on the earnings of the Bank. In this backdrop, it is of paramount importance that the cost of deposit should be brought down, for which several measures including expansion of branch and ATM network have been initiated. We have undertaken plan for opening 8 (eight) new branches and installing 20 (twenty) new ATM

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booths during the current year, out of which 3 (three) new branches and 2 (two) ATMs have already been launched. Special program have been chalked out for a sizeable exposure in SME, credit card and Islamic banking in a bid to diversify the business and to broaden the income base. The brokerage unit will also be operational from this very year. Besides, attention has been zeroed in on cost control through austerity measures at all levels. These initiatives will hopefully insulate the Bank to a great extent from the threatened loss of income due to imposition of cap on the lending rate by the Bangladesh Bank.

I have great confidence in the future of this institution. I am proud that I have with me a Board comprised of highly professional and dignified personalities. I am indebted to all the Board members for their continuous support and guidance. I would like to convey my appreciation to the management and employees of the Bank who are playing a pivotal role in the success of our Bank. Finally, with my sincere thanks to the shareholders, I would like to stress that your Bank has been striving hard for the betterment of the country keeping in view your aspirations and expectations. In the days ahead, I seek your support and cooperation to take the Bank towards our desired goals.

I wish you all the best.

admina.

Anisur Rahman Sinha Chairman GNUGg ~vcb Kiv ntqtQ| e emvi cwiwa ewx I Avq evovtbvi Rb GmGgB (SME), tµWVU KWV I Bmjvgx e vswKs KvhPug m¤cfhvitbi wetkI KgMPx tblqv ntqtQ| G eQiB teÖKvtiR BDwbtUi KvhPug ~ii" Kiv nte| GQvovI AtnZK I AcÖqvRbxq LiP cwinviKtí e vstKi mechPtq K."QZv mvatb meMaK _i "Zi t lqv ntqtQ| Avkv Kiv hvt"Q, G mKj c t¶c evsjvt k e vsk KZK mp`i nvi Kwgtq t lqvi Kvity e vstKi mweR Avtqi Dci th tbwZevPK cÖrve covi AvksKv myo ntqtQ Zv AtbKvstk j vNe Kite|

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Presentation of the President & Managing Director

The year 2008 was a unique year in history for several reasons of which perhaps the rapid rise and fall of global commodity prices was the foremost as it affected the lives of every individual in the globe. Never in the known history has there been such a rise and fall in such a short time. The affected price index ranged a large spectrum of commodities, from edible oils to fuel oil and from steel to cereals.

The year was indeed a great challenge for the banking industry and I am pleased to advise that our bank performed very well in spite of the adverse macro conditions. In the year 2008, the asset base of the Bank has increased by 39% from Tk. 38,427.85 million in 2007 to Tk. 53,371.25 million in 2008. Deposits rose by 41% in the same period from Tk. 30,004.09 million in 2007 to Tk. 42,435.24 million in 2008. Advances, in spite of the "slump" in the economy, rose from Tk. 28,456.94 million in 2007 to Tk. 39,975.00 million in 2008 with a growth rate of 40%. The operating profit also rose from Tk. 1,574.72 million in 2007 to Tk. 1,904.88 million in 2008 registering a growth of 21%.

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e "vswKs LvtZi Rb" e QiwU vQj mwZ"B P"vtj‡Äi Ges Awng Avbt> i mvt_ RvbvtZ PvB th mvgwMk ^eix cwitek ^tEil Avgvt` i e "vsk G mgtq tek mdj Zv AR® KtitQ| 2008 mvtj e "vstKi tgvU m $^{\omega}$ i kZKiv 39 fwl e $_{W}$ × tctq 2007 mvtj i 3,842.78 tKwU UvKv t_tK 5,337.13 tKwU UvKvq DbwZ ntqtQ| GKB mgtq AvgvbZ 2007 mvtj i 3,000.41 tKwU UvKv t_tK kZKiv 41 fwl e $_{W}$ × tctq 2008 mvtj 4,243.52 tKwU UvKvq DcbxZ ntqtQ| A_%bwZK g> ve $^{-}$ vi gta I FtYi cwi gvY 2007 mvtj i 2,845.69 tKwU UvKv t_tK kZKiv 40 fvl e $_{W}$ × tctq 2008 mvtj 3,997.50 tKwU UvKvq $^{-}$ wwotqtQ| cvkvcwk cwi Pvj b glovdv kZKiv 21 fvl e $_{W}$ × tctq 2007 mvtj i 157.47 tKwU UvKv t_tK teto 2008 mvtj 190.49 tKwU UvKvq e $_{W}$ × tctqQ|

In the year, the Bank was able to mobilize volume of deposits through offering attractive deposit products and quality services. The advance growth was supported by new ventures in the power generation sector where we felt there was ample scope for investment. In addition, the bank also participated in several syndicated financing projects related to power, telecom, steel, textile and real estate. I am indeed delighted to inform that in spite of the adverse macro economic conditions we were able to keep our non-performing loan [NPL] at 2.68% which is much below the industry average.

The bank now has a network of 36 branches, 2 Kiosk, 1 booth, 18 own ATMs and 802 human resources who are persistently working in pursuit of the achievement of bank's goals. We believe that the strength and efficiency of an organization depends on the quality of its manpower. During the year, junior, mid level and senior members of the management have had extensive training both at home and abroad with the objective of up-gradation and capacity building. The fruits of such endeavors are witnessed in the form of our innovative products in the market and increased level of efficiency within the bank.

In the year 2008, the bank launched Islamic Banking Window with separate software and a team of dedicated professionals. The unit is guided by an enlightened group of scholars who form the Shariah Committee. The window has launched a variety of unique & attractive deposit and advance products. Besides the above, the bank formally established its SME Unit separately along with a team and state of the art software.

The year also marked the formal operation of the Offshore Banking Unit [OBU] in EPZ, Chittagong through which Bank Asia implanted its first foot print as a global player to meet the requirements of fully owned foreign companies operating in the EPZ. The unit was profitable in its first few months of operation which is likely to grow substantially in the coming years.

The year also marked a milestone in expanding our delivery channel for remittances through the large and major NGOs that include Buro Bangladesh and Jagoroni Chaklra Foundation. In continuance of our objective of achieving a deeper reach we opened our first Kiosk at Shirajdikhan. In addition, we also acquired a brokerage membership from Dhaka Stock Exchange which we expect will diversify our line of business and will generate profits in the years ahead.

To strike a further social sense of balance, we continue to act as a responsible corporate citizen like in the past e'vsK weMZ eQti AvKPYxq AvgvbZ cY" I DboZ tmevi gva'tg eo aitbi AvgvbZ msMon m¶g nq | we`''j LvtZ bZb wewbtqvM FtYi côbyx AR\$b mnvqZv KtitQ thLvtb GLbI wewbtqvtMi côbi m¤tebv itqtQ | Dciš' e'vsK tUwj thvMvthvM, B'úvZ, e', I wbgfY côKtí wmwÛtKtUW FY-G AskMôY KtitQ | Avwg AZ''š-Avbw' Z th côZKj mvgwMoK A_\$bwZK Ae'v weivRgvb _vKv 'të;I Avgiv g>` FY kZKiv 2.68 fvM -G ivLtZ m¶g ntqwQ hv mvgwMoK e'vswKs wktíi Mtoi Zjibvq AtbK Kg|

e'vstKi tbUlqutKP gta" GLb itqtQ 36wU kvLv, 2wU wKq¯, 1wU ey_, 18wU wbR¯^ GwUGg I 802 Rb `¶ KgP hviv e'vstKi Afxo j¶" AR\bi Rb" wbtew`Z fvte KvR Kti hvt"Qb| Avgiv weklym Kwi GKwU c\biZovtbi kw³ I mdj Zv wbfP Kti Zvi Rbkw³i ¸YMZ gvtbi Dci| Kg\biTi gvb I `¶Zv ew>i jt¶" AvtjvP" eQti e'e'vcbvi wewfbæ ti m`m*tK t`tk I wet`tk wetkI c\biK¶Y t`qv ntqtQ| Gme c\biK¶tYi mydj Avgiv c\biZ^¶ KiwQ evRvti e'vstKi wbZ"bZb myokxj ctY" Ges e'vstKi Af'ŠixY`¶Zvi D\bitIvbi ew>i ga" w`tq|

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G eQi PÆMÖg Bwc‡R‡W Ad‡kvi e¨vswKs BDwb‡Ui AvbpôwbK Kvh�g ¨iʻi gva¨‡g e¨vsK c@g GK ^ewkK côZôvb iʻtc Bwc‡RW -G Kvh�g cwiPvj bvKvix we‡`kx †Kv¤úvbx¸‡jvi côqvRb †gUv‡bvi †¶‡Î côqvRbxq †mev côvb Ki‡Q| Kvh�g ¨iʻi K‡qK gv‡mi g‡a¨B GwU GKwU jvfRbK BDwbU wn‡m‡e we‡ewPZ nq, AvMvgx w`b¸‡jv‡Z GB BDwb‡Ui gʻpvdv AviI ewcv‡e e‡j Avkv Kiv hvq|

RwMiYx Pµ dwDtÛkb I e¨ţiv evsjvt`tki gtZv enr GbwRIi mnvqZvq tiwgU¨vtÝi weZiY gva¨g m¤cônvitYI weMZ eQiwU GKwU gvBj djK ntq _vKte| MônKt`i AviI KvtQ tcôQvtbvi Ask wntmte Avgiv wmivRw`Lvtb Avgvt`i cÖg wKq¯‹ (Kiosk) cÔZôv KtiwQ| GQvovI G eQi Avgiv XvKv óK G· tPtÄi teôKvtiR m`m¨c` jvf KtiwQ| Avkv Kwi Gi gta¨ w`tq Avgiv e¨vstKi e¨emvtq `ewPΨgqZv Ges AvMvgx eQi ¸tjvtZ AwaK gþvdv AR® KitZ m¶q ntev|

mgv‡Ri myō fvimv‡g¨ K‡c@fiU mvgwkRK `vqe×ZvgjjK Kvhv@jxi gva¨‡g Avgiv `wqZkxj K‡c@fiU bvMwi‡Ki cwiPq through our CSR activities. In the year our CSR activities included areas such as scholarship, computer learning center, sports & culture, health care for poor, relief for disaster victims, city beautification etc.

This is my concrete confidence that we would continue to impress our stakeholders by acting as a driving force of stable economic growth, employment generation, and healthy return on investment. We have clear plans in place to strengthen and improve all the key areas of our business in coming years. The drive, encouragement, guidance and directions provided by the members of the Board not only add value to the overall operations of the bank but also give a vision to follow. We are grateful to the Board for such visionary direction which we believe will guide us to take greater challenges and achieve greater success.

I pray to almighty Allah that He would bless us in our journey towards achieving our vision to have a poverty free Bangladesh.

Erfanuddin Ahmed

President & Managing Director

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Avgvi `p wekļm th fwel tri my`p A_MovuZK cew, Kgms vb ^Zix I wewbtqvtMi glovdv AR\$b Avgiv kw³ kvj x Pwyj Kvkw³ wntmte KvR Kti mswkó mKj c¶tK mšó KitZ cvie | AvMvgx eQi tjvtZ Avgvt`i e'emvi mKj tg\$wj K t¶lmgntK AviI kw³ kvj xKib I Dbqtbi Rb Avgvt`i mybw`ô cwi Kíbv itqtQ | cwi Pvj bv cl\$'i Drmvn I wbt`Rbv Avgvt`i mwek Kvhptg i'aybZb gvlvB thvM KitQbv, eis tmB mvt_ KvR KitQ GKwU Abyni YthvM'j¶ "wntmte | Avgiv cwi Pvj bv cl\$'i wbKU Zvt`i GB `i`yóm¤úbowbt`Rbvi Rb KZÁ | Avgiv wekļm Kwi Zvt`i GB wbt`Rbv AvMvgx w`b tjvtZ Avgvt`itK AviI KwVb P'vtj Ä MôvY I epr mdj Zv AR\$b tcôYv thvMvte |

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tcům‡W>U I e¨e¯vcbv cwi Pvj K

Directors' Report



It is indeed a great pleasure for the Board of Directors of Bank Asia to present the 10th Annual Report and Audited Financial Statements for the year 2008 to its honorable shareholders. In this Report, we have drawn a pen picture of the current World economy, Bangladesh economy, along with the business activities and financial highlights of Bank Asia. An overview of this Report would indicate continuous growth of the Bank amidst stiff competitions and adversities both at the domestic and international level.

The year 2008 was challenging as well as rewarding for the Bank. Amidst uncertainties during the year, the Bank expanded the horizon of its business operations: establishing four new branches, one kiosk, one booth, expanding its ATM network and broadening its retail line of products. Our financial performance has been noteworthy with operating profit growing by 20.97% over that of the previous year, Deposits increased by 41.43% and Loans & Advances grew by 40.48%.

During the year, in addition to normal business, Directors considered a number of issues relating to policy, operations, technology development, risk management, and internal audit, keeping in view the need for compliance with regulatory guidelines at all levels. Attention was also given to strengthen the Bank's human resources base, the IT infrastructure facility, improvement in corporate

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atiţQ |

2008 mvj e vstki e emv cwi Pvj bvi Rb GKB mvt_thgb KwVb wQj tZgwb G eQti AtbK AR®I wQj|bvbv iKg AwbŏqZvi gvtSI e vsK 4wU bZb kvLv, 1wU wKq-, 1wU ey_, GwUGg tbUIqvtK® m¤cñnvi Y Ges bZb cY I tmevi cwi wa ew×i gva tg Zvi e emv m¤cñnvi Y KtitQ|2007 mvtji Zj bvq 2008 mvtj Avgvt i cwi Pvj b gbvdv 20.97%, AvgvbZ 41.43% Ges FY I AMŵq 40.48% ew× tctqtQ|

weMZ eQti cPwjZ e°emwqK welq¸tjv QvovI cwiPvjKe¸`wbqš\/Kvix KZ@t¶i wbt`Rbv Abhvqx e°vstKi bxwZ wbaAY, e°emv cwiPvjb, gjab KvVvtgv, KwiMix Dbqb, SzwK e°e¯vcbv, Af°šixY wbix¶Y BZ°w` weltq mRvM wQtjb| e°vstKi gvbem¤ú` I chyp³MZ AeKvVvtgv kw³kvjxKiY, KtcAtiU mykwmb DbnzKiY, mvgwRK`vqe×ZvgjK KvhAejxi m¤chviY



governance, expanding activities in the areas of corporate social responsibility (CSR), and addressing the emerging needs of the economy keeping in view the evolving domestic and international developments and challenges. The management carried out the policy decisions and affairs of the Bank with improved competence, improved human resources and technology infrastructure.

Operating Environment

The unprecedented rise in prices of energy, commodities including food and raw materials during 2008, uncertainty in domestic and international business and political environment made the overall operating atmosphere difficult for business organizations. This was aggravated by global economic crisis which is still continuing. All these factors have had some significant impact on the banking and financial sector.

Global Economy: Passing a crucial situation

The year 2008 perhaps will remain ever memorable due to the economic meltdowns which jolted the world towards the most serious crisis after 1930's great depression. Though the crisis originated in the developed countries, its adverse impacts started to

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cwi Pvj b cwi ‡ek

2008 mvţj Ryjvbx LvZmn Lv`¨, KwPvgvj I Ab¨vb¨ wbZ¨cOqvRbxq `e˙w`i bRxiwenxb gj¨ew×, Af¨šixY I AvšRMZK e¨emwqK I ivR%bwZK cwiţeţki AwbōqZv BZ¨w` welqmgn e¨emv cOZovb¸ţjvi mwwek cwiPvjbvi cwiţekţK KwVb Kţi ZţjwQj | weke¨vcx Pjgvb A_%bwZK msKU mvgwMoK cwiw¯wZţK AviI KwVb KţiţQ Ges m½ZfvţeB G wbqvgK¸ţjv e¨vsK I Aww_k cOZovtb Dţj LthvM¨ cOve tdţjţQ|

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gvbe BwZnv‡m 1930 -Gi `kK R‡o wek¦ A_%owZK gnvg>`vi ci 2008 mv‡ji A_%lowZK wech\$qi fqvenZv nq‡Zv wPi¯§iYxq n‡q _vK‡e| hw`I G fqvenZvi mPbv DboZ we‡k‡i A_®xwZ‡Z, wKš' Zvi †bwZevPK côfve wboe Av‡qi †`k_wiji A_®xwZ‡Z cwijw¶Z n‡"0| wek¦



be transmitted to economies of many low-income countries. The world economy which registered a modest average growth of 5.0% over the last four consecutive years is now entering a major slump when the early growth projection for the year 2009 has came down to 0.5%1, and showed further deteriorating trends in the subsequent months. The debacle started with the sub-prime mortgage failure in the United States housing market during the summer of 2007. It began widening during the year 2008 into deeper fissures across the global financial landscape and ended with the collapse of major banking institutions, precipitous falls on stock markets across the world and a credit freeze. The shock wiped out almost \$10 trillion worth of value from the stock markets². These financial shockwaves have now triggered a full-fledged economic crisis with most advanced countries already in recession and the outlook for emerging and other developing economies deteriorating rapidly including those with a recent history of strong economic performance.

The global economic crisis has affected the world trade adversely. Growth in world trade volume reduced to 4.1% in 2008 in comparison with 7.2% in 2007 and for 2009 IMF is projecting a negative growth rate of 2.8% with some prospect of growth in 2010². The matter of grave concern here is that

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¹ World Economic Outlook, January 28, 2009, IMF

² World Economic Situation and Prospects 2009, UN

I qvì ®‡Kv‡bwgK AvDUjK, Rvbyqvix 09, AvšRŵnZK gỳił Znwej

² I qvì B‡Kv‡bwgK wmP‡qkb GÛ cth‡c± 2009, RwZmsN



import growth of advanced economies reduced from 4.5% in 2007 to 1.5% in 2008 and projected to be -3.1% in 2009³. Understandably this slowdown in import growth of advanced economies will have adverse effect on the export growth of many emerging and developing economies (export growth recorded 9.6% in 2007 with downward growth of 3.1% 2008, and projected growth for 2009 is -0.8%³.

Emerging and developing economies that registered a growth rate of around 8% in 2007 dropped to 6.3% in 2008, and projection for 2009 is 3.3% with some hope of regaining upto 5.0% in 20103. Developing Asia which reached to 10.6% in 2007 shrank to 7.8% in 2008, and projections for the next two years 2009 and 2010 are 5.5% and 6.95% respectively³. Optimistic projections for 2009 and 2010 are made considering various initiatives taken by Governments across the world as they are trying hard to overcome crisis and are exerting some concerted efforts. A more pessimistic scenario is possible if the global credit squeeze is prolonged and confidence in the financial sector is not restored quickly. If these slowdown in growth rates continue, poverty eradication and human development may be severely hindered. Current global economic meltdown has already affected employment negatively. Many renowned companies like Citi Group, General Motors, and Toyota released a number of workers and employees which will impose a tremendous pressure on

2008 mvtj 1.5% G tbtg GtmtQ hv 2007 mvtj vQj 4.5% Ges 2009 mvtj Zv FYvZ\K c\(\hat{e}_{\text{W}}\times 3.1\% tbtg AvmtZ cvti etj aviYv Kiv nt"Q^3| c\(\hat{e}_{\text{D}}\times 2 Avi I Dtj \mathbb{E} th, Db\(\alpha\text{Z} A_{\text{D}}\times 2 A_{\text{D}}\times 2 Avi I Dtg \mathbb{E} th, Db\(\alpha\text{Z} A_{\text{D}}\times 2 A_{\text{D}}\time

D`xqqvb I Dbqdbkxj A_®xwZi †`k_tjv hvt`i cëw×i nvi 2007 -G cliq 8% NQi, Zv 2008 -G 6.3% G tbtq GtmtQ Ges 2009 mvtj Zv 3.3% G tbtq Avmte etj aviYv Kiv n‡"Q| hw`l 2010 mvj bvMv` Zv mvqvb¨ ew× tctq 5.0% nte etj Avkv Kiv nt"Q3| Gvkqvi Dbqbkxj t`kmg‡ni Mo cëw× 2008 mv‡j 7.8% G tb‡g G‡m‡Q hv 2007 mvtj vQj 10.6% Ges 2009 I 2010 mvtj Zv h_v μ tq 5.5% I 6.95% nte etj aviYv Kiv nt"Q³| G wech@ tavKvtejvi Rb" wetk!i wewfb@t`tki miKvi th bvbv iKg c`t¶c wbt"Qb, Zvi Dci wfwË KţiB 2009 I 2010 mvtji GB Avkve vÄK cëw×i nvi cö°jb Kiv nt"Q| Zte `xNRvj FY mstKvPb PjtZ _vKtj Ges Aww_R LvtZ `*Z Av~v wdti bv Avmtj `k~cU AviI nZvkvi witk toyo wbtZ cvti Ges `wwi`a wetqvPb I gvbe Dbab Kvh@lq e~vnZ ntZ cvti | BwZgta~B GB A_%bwZK g>`vi KviţY weţk¦i PvKixţ¶Î e"vcKfvţe m¼wPZ nţqtQ Ges wmwU MÖC, †Rbv‡ij qUim, U‡qvUv mn wewfbæeo cäZôvbmgn

l qvì ®‡Kv‡bwgK wnP‡qkb GÛ ch‡c± 2009, RwZmsN



Shareholders at the 9th Annual General Meeting

the job market and income of the people whose immediate aftermath is shrinking income opportunity and aggregate demand. Contraction in aggregate demand may further slowdown the economic growth and development.

The year 2008 experienced an enormous oil price hike at the first half and then it began falling. Though this reduction in price could help some countries to maintain their balance of payment at a relatively acceptable level, it has some drawbacks also. Countries including Bangladesh could face threat of job loss due to fall in oil price which may hamper remittance earnings from Middle Eastern countries.

Commodity prices have been immensely volatile during 2008. The commodity prices rose to much higher levels in real terms than at any time in the past 20 years. Consumer price inflation in advanced economies projected for 2008 is 3.5% in comparison with 2.1% in 20074. Emerging and developing economies experienced a higher inflation rate of 9.2 % in 2008 compared to 6.4% of 20074. Some essential food items like rice, wheat, edible oil, lentils became costly which brought immense pressure on food entitlement of the people of the countries those are basically known as net food importers. Inflationary pressure has had an adverse impact on the consumers through reduction of their purchasing power and income erosion. IMF is projecting a lower inflation rate for upcoming days. For advanced economies these are 0.3% (2009) and 0.8% (2010), and for emerging and developing economies 5.8% (2009) and 5.0% (2010)⁵.

In a nutshell, Global Economy has been passing through a crucial period and threats regarding growth, employment generation and price stability are ahead. A concerted effort by the policy makers and world leaders can regain confidence of the people and prevent further slide of the world economy.

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2008 mvţi c $\underline{0}$ gvţa $^{\circ}$ Rvjvbx †Zţi i e`vcK gj`ewcGes †klvţa $^{\circ}$ gj nêm wkQy †`tki $^{\circ}$ eţ`wkK ţi bţ`ţbi fvimvg ‡Z mnvqZv Ki‡j l Zvi wkQz †bwZevPK cêrve i‡qtQ | †Zţi i gj nêţmi Kvi‡Y ga cêtP Kg $^{\circ}$ Z evsj vţ`ţki g‡Zv †`k¸ţj vi A‡bK cêvmx kêgK PvKaix nvi vţbvi ksKvq Av‡Q hv †`k¸ţj vi †i wgU vÝ Av‡q e`vNvZ NUv‡Z cv‡i |

mst¶tc ej v hvq, wek¦ A_®xwZ GLb AtbK cŵZKj mgq cvi KitQ Ges c®wx, gj w wZ, Kgms vb BZ w weltq bvbv AwbðqZv AvR Avgvt`i mvgtb| wek¦tbZe, `Ges bxwZ wban KgÛjxi mw¤\$wjZ cŵPóv AvR gvbţli gvtS Av v wdwitq AvbtZ cvti Ges wek¦ A_®xwZtK fwel tzi wechn ntz i¶v KitZ cvti|

⁴ World Economic Situation and Prospects 2009, UN

⁵ World Economic Outlook, January 28, 2009, IMF

l qvì ®‡Kv‡bwgK wmP‡qkb GÛ cḃn‡c± 2009, RwZmsN

⁵ I qvì B‡Kv‡bwgK AvDÚj K, Rvbqvi x 09, AvšRmZK gỳ i Znwej

Bangladesh Economy

Economic Growth: Under challenging circumstances

Bangladesh experienced a growth rate of above 6% over the last five years though performance of the Fiscal Year (FY) 08 (GDP growth rate 6.21%) was lower than the previous years (6.43% for FY 07 and 6.63% for FY 06). Despite the fact that the growth

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Half Yearly Conference '08

rate in FY08 is lower, it shows the resilience of the economy in the face of world wide crisis, especially in advanced economies. According to Policy Analysis Unit (PAU) of Bangladesh Bank, the country is likely to achieve a GDP growth rate of around 6.0% in FY09. Although it is lower than that of FY08, we may keep in mind that IMF is projecting a growth rate of only 0.5% for the world economy in the FY09.

In the FY08 (July 2007-June 2008), the country showed noteworthy resilience in the face of frequent floods, the devastating SIDR, and spike in prices of oil, food grain and other commodities in the world market. Economic growth was also aided by rapid growth in exports and remittances. The uptrend in export earning also continued during the first six month of FY09. The 6.2% real GDP growth in FY08 was underpinned, on the supply side, by a modest growth in the agriculture sector in spite of some major impediments like flood, SIDR, avian flu, and persistent growth in manufacturing which experienced double digit growth in Q3-Q4 of FY08 and Q1 of FY09. The service sector manifested a growth rate of 6.69% percent in FY08 which is slightly lower than 6.9% percent recorded in FY07.

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Annual Conference '09

Agriculture: Regaining from destruction

Agriculture sector manifested a growth of 3.61% in FY08 against 3.2% growth in FY07. The growth was supported mainly by 18.7% growth in Boro rice production. Production in other sub-sectors such as forestry, live stock, fishery, and poultry achieved positive growth where forestry and related services achieved the highest 5.4% growth in comparison with 5.2% in FY07; fishery maintained a satisfactory 4.1% growth in FY08 like the immediate past, FY07.

The outlook of FY09 for the agriculture sector seems positive with bumper harvest in *Aus* and *Aman* seasons and similar expected production in the upcoming *Boro* season. Factors like favorable weather, subsidized and reduced prices of diesel and fertilizer, higher disbursement of agricultural credit, better price incentives for the farmers, and government initiatives to ensure timely delivery of inputs and other support services are likely to play a vital role in the agricultural growth.

In order to support higher production levels, the annual target for agricultural credit disbursement is set at Tk. 93.8 billion for FY09, nearly 13% higher over FY08 disbursement, of which Tk. 42.3 billion was disbursed during 1st Half (H1) of the FY09 (7.7% growth over H1 FY08). Bangladesh Bank is projecting 3.8% to 4.0% growth in overall agriculture sector output in FY09⁶.

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Monetary Policy Statement, January '09, Bangladesh Bank.

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Industry: From a slow beginning towards a modest growth

In FY 2008, Bangladesh faced a decelerated performance in the Industrial sector in comparison to the previous five fiscal years. Industry is now contributing 29.66% of the GDP and recorded only 6.87% growth in FY08 in comparison to 8.38% in FY07 and 9.74% in FY06. Among the sub-sectors mining & quarrying achieved 8.6% growth in FY08 which is bit higher than 8.3% growth of FY07. Manufacturing, both large and small scale, experienced downward growth performance in comparison with FY07. But the matter of optimism is that manufacturing experienced a double digit growth rate in Q3-Q4 in FY08 and Q1 of FY097.

Among the manufacturing sectors, jute, cotton, RMG, leather, non-metallic and basic metal products manifested very satisfactory growth achievement in Q1 of FY09, whereas food, beverage and tobacco faced negative growth rate during this period. Infrastructural constraints still remain a major hurdle regarding growth and progress where electricity shortage is a matter of grave concern. Bangladesh Bank is projecting a growth in the range of 4.7% to 7.9% for industrial sector in FY098.

Service Sector: Running on its own trend path

The service sector is the largest contributor to the GDP of the country which contributed 49.46% in total GDP of FY08. However, the sector recorded a lower growth rate of 6.69% in FY08 against 6.92% of the FY07. The projected growth rate for FY09 is 6.7% to 6.9%. Among the sub-sectors two major sub-sector - wholesale and retail trade posted 7.2% growth in FY08. Another major sub-sector - transport, storage and communication, registered a higher growth of 8.7% in FY08 in comparison with 8.0% in FY07. Even in the downward trends, financial intermediation sector continued achieving a healthy growth rate of 9.0% in FY08.

Fiscal Sector: Target achievement in revenue collection and ADP implementation raise concern

Bangladesh has been maintaining a robust growth rate in revenue collection over the last few years and the average growth rate of 12.9% was maintained during the FY01 to FY07 period . In FY08, revenue collection recorded a impressive 24.3% growth. With this back drop government set a challenging target of 19.2% growth in revenue collection for FY09. The target for National Board

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⁷ Bangladesh Bank Quarterly, October-December '08

⁸ Monetary Policy Statement, January '09, Bangladesh Bank.

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⁸ gwbUwi cwj wm †÷U‡g>U, Rvbyqvix 2009, evsj v‡`k e "vsK

of Revenue (tax revenue) is Tk. 545.0 billion for FY 09. Against this target, Tk. 240.2 billion was collected during first six month of FY09 which is 16.2% higher than the level of H1 of FY08. The tax revenue growth was strengthened by some major earning sources like value added tax (VAT), income tax, and other sources. Though customs duty remains one of the major components, earning from this source was declining and expected to be further reduced in the coming months because of falling prices of imported commodities in the international market.

In FY09, the targets for current expenditure and Annual Development Program (ADP) expenditure have been fixed at Tk. 667.6 billion (10.9 percent of GDP) and Tk. 256.0 billion (4.2 percent of GDP) respectively. These targets are higher than their actual levels in FY08. Against these targets, current expenditure in H1 of FY09 stood at Tk. 382.9 billion (60 percent of the annual target) which is 68.0 percent higher than the level of H1 of FY08 partly due to payment of enhanced salaries to the government employees and increased expenses on subsidies and debt services.

Under-utilization of ADP has remained a common trend in Bangladesh. 80% implementation of the ADP has been perceived to be a tolerable achievement in recent years. Following the trend, ADP utilization rate was 84.9% of the revised target in FY089. The usual slow rate in ADP implementation remained more or less unchanged in H1 of FY09 also. The estimated data show that the implementation rate of ADP stood at 24% during H1 of FY09. Rising revenue expenditure in combination with rising cost of inputs in construction hindered ADP implementation in FY08. Such adverse factors had not been present in the current fiscal year, and with the successful transition to an elected democratic government, it is expected to achieve a higher implementation rate in FY09.

While budget deficit as a percentage of GDP remained less than 4% during FY06 and FY07, the actual budget deficit in FY08 was higher at 4.9%, the highest recorded since FY01. For FY09, a deficit of 5 percent of GDP (Tk. 305.8 bln) has been projected, with about USD2.6 bln gross foreign financing requirement.

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⁹ Annual Report - 2007-08, Bangladesh Bank.

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External Sector

Export deserves special consideration for maintaining accelerated growth

Bangladesh's total export earnings during the FY08 was recorded at \$14,110.80 million which registered a double digit growth of 15.87% over FY07. The performance was a continuation of previous two years progress rate such as 15.69% in FY07 and 21.63% in FY06¹⁰. Overall exports in the first half of the current fiscal year posted a 19.38% growth, with earning of \$7,852.59 million against \$6,495.92 million in the same period of the previous fiscal¹¹. However, during the October-December period of 2008 export experienced some negative growth.

According to export statistics, in the first half of the current fiscal year woven garments showed a 20.99% growth fetching \$2,738.55 million and knitwear earned \$3,172.03 million with a 27.07% growth. Despite growth in woven and knitwear sectors, frozen food, the third largest export earner of the country, marked a negative growth, earning \$276.62 million against \$280.20 million in the same period of last year¹¹.

Raw jute, handicrafts, jute goods, pharmaceuticals, electronics, leather, ceramic products, cut-flower/ foliage, bicycle and iron chain also showed negative growth during the first six-month of current fiscal. On the other hand, terry towel, textile fabrics, chemical fertilizer, footwear, home textile, tobacco and agro-processed food, among some others, posted positive export growth during the same period.

Export sector is going to face some grim challenges in the upcoming days due to economic downturn in some major export destinations like USA and European countries. In this back drop, Bangladesh needs to find out some new destinations along with product diversification to attain the earlier targeted 15.50% export growth in FY09. Pressure has been building on the government for financial and policy support for several sectors.

High import growth continued

Import growth has been on the higher side in recent years. In FY08, the country experienced 25.63% growth over the previous FY07. In FY08, the country's total import payment worth of \$19,486 million in comparison with \$15,511million in FY07. But the major concern in this rea is the 27.5% drop in capital machinery which signals

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¹⁰ Export Promotion Bureau, EPB

¹¹ The Daily Star, 4th February, 2009

¹⁰ G∙‡cvU°c**ü**gvkb e**ţ**iv

¹¹ w`†WBwj÷vi04/02/09

slowdown in industrialization. However, in Q1 of FY09 import of capital machinery and industrial raw material grew by 28%¹² compared to the overall import growth of 35.27%¹³ over the previous Q1 of FY08. Import growth in capital machinery and raw materials reveals that the confidence of the business community in the country is regaining after the shock in 2007.

Remittance: Accelerated growth may face challenges

Remittance has continued to play as the major driving force in our economy. According to the Bangladesh Bank, the country received \$7,914.78 million as remittance in the FY08 showing a 32.39%¹⁴ growth in comparison with remittance earned in FY07. It is gratifying that this accelerated growth performance continued in H1 of FY09 when the country earned \$3,440.51 million and the corresponding growth rate was 20.25% in comparison with the same period of FY08. Even in the January 09, the country received a record \$865 million remittance flow. But there are some threats also towards this growth due to sharp fall in oil price and economic downturn in western world. Most of our expatriate workers work in Middle East region and those countries are adversely affected due to the oil price decline with possibility of reduced economic acitivity.

BoP: Maintaining a positive over all balance¹⁴

Bangladesh was able to maintain a positive balance in Balance of Payment (BoP) in FY08 like previous two years. In the FY07, the country experienced positive balance both in current account and capital account in spite of trade deficit of \$3,458 million. Remittance and disbursement from multilateral term loan (MLT) sources are two vital driving forces that contributed to current and capital accounts respectively resulting in positive balance. In FY08, in spite of widening trade deficit of \$5,541 million, the country experienced positive balance in current account and capital account. But this time overall balance decreased to \$604 million in comparison with \$1,493 million in the FY07. Remittance earning and capital transfer increased between the periods whereas Foreign Direct Investment (FDI) decreased to \$650 million in FY08 from \$793 million in FY07.

The first five months (July-November) of current FY09 experienced a negative overall balance of \$515 million

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†j b‡`b fvimv‡g¨i cwiw¯wZ t mweR abvZłK fvimvg¨¹4

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¹² The Financial Express,11-11-2008

¹³ Bangladesh Bank Quarterly Report, Oct.-Dec., 2008

¹⁴ Major Economic Indicators: January 2009, Bangladesh Bank.

¹² w`wdbvbwmqvj G·‡cth 11/11/08

¹³ $evsjvt k e^{v}vsK t Kvqv evij x At ±v-vW t mt 2008$

^{14 †}gRi B‡Kv‡bwigK Avc‡WU, Rvbyqvix 09, evsjv‡`k e¨vsK

comparing to the surplus of \$77 million during the same period of FY08. The current account balance registered a deficit of \$24 million during the period compared to a \$39 million surplus a year back, whereas capital account recorded a lower positive balance of \$74 million compared to \$133 million in the previous year. Bangladesh Bank officials referred to the present condition as a temporary phenomenon and stated that the current account balance along with the overall balance of payment will turn into positive within a couple of months as the pressure of import payment will ease in the future due to falling trend in prices of oil and other commodities in the global market and continuation of upward trend in remittances.

Inflation: Little respite in hike

Both in FY07 and FY08 the economy suffered from steep rises in price of food and non food items. The picture was so bleak that inflation went to double digit level. Food items became increasingly costly due to decline in domestic food production due to natural disaster and rise of price in the global market. According to the twelve months point to point basis calculation, in June 2008 food item inflation reached the peak level 14.10%. After remaining high in Q1 of FY09, inflation started to decline in Q2 of FY09. The lower inflationary pressure during the second quarter reflects increase in domestic food-grain output and decline in prices of food and petroleum products in the international market. While the softening of inflationary pressure is likely to continue, it is important to keep in mind that the current price fall in the global commodity market is largely due to changes in the demand while the global supply condition remaining mostly unchanged. As such, if the major economies, especially the advanced ones, succeed in recovering from the crisis within a relatively short period, the commodity markets may again experience tough conditions. Expanded fiscal operations in the coming year (FY2009-10) may also push the inflation level unless carefully monitored.

Exchange Rate: Remains stable

Bangladesh has been maintaining a "managed" floating exchange rate over the last few years. Bangladesh Bank may purchase and sell foreign currency when it deems necessary to maintain stability in the foreign exchange market. During October 2007 to June 2008, Taka appreciated by 0.25% against US dollar. The weighted average exchange rate between Taka and US Dollar came down from Taka 68.80 at the end of October 2007 to Taka 68.53 at the end of June 2008¹⁵. Though the foreign exchange market remained mostly stable during July - December 2008, Taka depreciated by 0.6% against USD¹⁶.

qj ùwz t DaŸMwZ‡Z weiwZ

2007 Ges 2008 Dfg A_@Q‡iB Lv` I Lv` enn\Z Ab"vb" cY" mvgMŵi gj" ew⊳ Pig AvKvi aviY K‡i| cwiw w Z GZUvB fqven wQj th qj "ùxwZi nvi `B As‡Ki mxqvq †cǧQvq| Af¨Š+xY Lv`¨ Drcv`b nêm Ges Avš**R**wuZK evRvţi gj¨ew×i dţj t`ţk Lv`¨`ţe¨i `vg utgB Amnbxq ch@q Ptj hvq| evtiv gvtmi ctq>U Uz ctayU unmve Abhvax Rh 2008 avtm at "inval mtel"P kZKiv 14.10 fv‡M DbmeZ ng| 2009 A_@Q‡ii cÜg wZb qvtm GB Daÿ©cëbZv eRvq _vKtjl cieZp wZbqvtm gj:"wwZ wKQVv Ktg Avtm| Af"šixY Lvt`"vrcv`b eyx Ges AvšR@ZK evRvti Ryjvbx tZj I Lv`"ktm"i gj"nim Gt¶tî mnvqK fwgKv cvjb Kti| Zte gtb ivLtZ nțe AvšR®ZK evRvți `ê¨gţi¨i nîm m¤ê nţqţQ q¡Z GKw`‡K Pwn`vi nêm Ges Aciw`‡K mvgwóK mieiv‡ni AcwiewZZ Ae thi Kvith GB cUfwqtZ Dboz wetki t`k_tjv hLb mvqtbi w`b_tjvtZ mv¤c@ZK g>`v KwUtq N‡i `wov‡e ZLb Avevil gj‴ cwiw⁻wZ KwVb nlqvi Avk¼v †_‡KB hvq| h_vh_fv‡e wbqšb bv Ki‡j AvMvqx 2009-10 A_@Q‡i miKv‡ii m¤cBnviYq¶ux Aww_1R bwwZI qį "ùxwZ‡K ewota w`tZ cvti|

gỳ∛ wewbgq nvi tw⊺wZkxj

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^{51.50 †}KwJ gwK® Wjvi, 2008 A_@Qti GKB mgtq hv wQj 7.70 †KwJ gwK® Wjvtii abvZ¥K DØË| PjwZ wntmte weMZ eQtii 3.90 †KwJ gwK® Wjvtii DØËi wecixtZ 2.40 †KwJ gwK® Wjvtii NvUwZ cwijw¶Z nq Ges gjabx wnmvte GB mgqKvtj 2007 A_@Qtii 13.30 †KwJ gwK® Wjvtii DØËi wecixtZ 7.40 †KwJ gwK® Wjvtii DØËi wecixtZ 7.40 †KwJ gwK® Wjvtii DØË wQj | evsjvt`k e vstKi KgRZAv mv¤cůZK NvUwZ cëbZvtK mvgwqK etj AwfwnZ KtitQb| Zvt`i gtZ, AvšR®ZK evRvti Ryjvbx †Zjmn Abvb `èw`i gj¨nůtm I cëvmxt`i A_@†cůtYi et`ŠjtZ Avg`wb e¨q nům †ctq AvMvgx KtqK gvtmi gta¨B mweR tjbt`tb abvZ¥K DØË AR® m¤ê nte|

¹⁵ Annual Report 2007-08, Bangladesh Bank

¹⁶ Bangladesh Bank Quarterly Report, October-December, 2008

¹⁵ ewl **%** wi tcvU**2**007-08, evsj vt`k e vsK

⁶ evsj v‡`k e"vsK †KvqvUPj x A‡±v-wW‡mt 2008

The country's foreign exchange reserves stood at USD 5.8 billion at the end Q2 of FY09 which was at the level of \$6.2 billion at the end of FY08. Bangladesh Bank remained active in the foreign exchange market and made necessary interventions which resulted in a net purchase of USD 65 million from the inter-bank market during H1 of FY 09¹⁷. At the end of December 2008, the foreign exchange reserves stood at USD 5.8 billion, compare to USD 5.5 billion at December 2007.

Money and Credit Development

The Central Bank (BB) is running its operation in a very complex situation when it has to face dual challenges simultaneously like easing inflationary pressure and maintaining credit growth. Some major indicators regarding money and credit during FY08 deserve attention. Such as:

Broad money (M2) growth reached at 17.6% in FY08 which was marginally higher than the 17.0% growth recorded in FY07. The growth in broad money was driven mainly by 18.1% growth in net domestic assets. Net foreign assets of the banking system increased by 15.1% in FY08 which is notably lower than previous year's increase of 49.4%. During July - December of 2008 broad money recorded an increase of Tk. 231.84 billion or 9.32% increase over the same period of 2007¹⁸.

Credit to the public sector grew by 9.6% in FY08 compared with growth of 14.50% in FY07 due mainly to downsizing of ADP, better revenue collection and increased flow of foreign funds. During July - December, 2008 credit to the Govt. (net) increased by Tk. 53.23 billion or 11.33% and to other public sector increased by Tk. 19.19 billion or 16.50% in FY08.

Credit to the private sector grew significantly by 24.9% in FY08, which was higher than 15.20% growth in FY07 and also higher than projected growth of 14.9% reflecting increased economic activities in the real sector. This rising trend also continued in July - December, 2008 when credit to private sector went upto Tk 1,43.97 billion, a 7.57% growth over the same period of 2007¹⁸.

Credit growth surpassed deposit growth by 3.12 percentage points in 2008 calendar year. In 2008, deposit growth was 19.19% and credit growth was 22.31%¹⁹. In 2008, many private sector banks faced 30 - 62% credit growth over 2007.

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†K>`îq e'vsK GKB mvt_ `yU KwVb j ¶'' - gj''`````````` ubqš\/ I FY mieivn ew×i AwfcÖq wbtq Zvi Kvh@ug cwiPvj bv KitQ| G†¶ţÎ 2008 A_@Qţii wKQyDţj ĿţhvM'' wbţ` RK mg‡ni cÖZ bRi†`qv GKvšB cÖqvRb|

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2008 cwÄKve‡l FY cèbwi nvi AvgvbZ cèbwi nvi‡K AwZµg K‡i | 2008 cwÄKve‡l AvgvbZ cèbwi nvi wQj kZKiv 19.19 fwM Ges FY cèbwi nvi wQj kZKiv 22.31 fvM¹9 | 2008 mv‡j †emiKwi Lv‡Zi A‡bK e¨vs‡Ki FYcèvn 2007 Gi Zij bvq kZKiv 30 - 62 fvM Aewa †e‡o hvq |

¹⁷ Bangladesh Bank Quarterly Report, October-December, 2008

¹⁸ Annual Report 2007-08, Bangladesh Bank.

¹⁹ The Daily Star, 10th February, 2009.

¹⁷ evsj vt`k e vsK †KvqvUPj x At±v-wVtmt 2008

¹⁸ ewwl **f** wi ‡cvU®2007-08, evsj v‡`k e "vsK

⁹ w`tWBwj ÷vi 10/02/09

Review of Operations of Bank Asia

Bank Asia's operation has achieved the confidence of its customers with sound fundamentals in respect of deposit accumulation, loans and advances, import/export business, remittance business and profitability. Amidst challenges of changed local and international business scenario, the journey of Bank Asia is forging ahead with the introduction of different innovative products including Islamic Banking which are specially designed to meet the expectations of our customers ranging from large corporate houses to private individuals.

History of Bank Asia

Bank Asia Limited is a scheduled commercial Bank in the private sector established in November 27, 1999 under the Banking Company Act 1991 and incorporated in Bangladesh as a public limited company under the Companies Act 1994 to carry out banking business in Bangladesh. Bank Asia has been launched by a group of successful entrepreneurs with recognized standing in the society. The management of the Bank consists of a team led by senior bankers with vast experience in national and international markets.

Within a short span of time, Bank Asia has established itself as one of the fastest growing local private banks. It has, at present, a network of 36 branches serving many of the leading corporate houses and is gradually moving towards retail banking. Another significant delivery channel is its own as well as shared ATM Network. Bank Asia has a network of 44 ATMs out of which 18 are its own. The other 26 ATMs are shared with eleven other Banks. Since its inception in 1999, it set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada, first in the banking history of Bangladesh. It repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd. (MCB) of Pakistan. In the year 2003, the initial public offering of the shares of the Bank was subscribed by a record 55 times.

Mr. Erfanuddin Ahmed has joined the Bank as new President & Managing Director of the Bank with effect from 7th May 2009 after his predecessor's retirement on completion of 65 years of service as per regulatory provision. A senior banker, Mr. Ahmed has been associated with the Bank since its inception. He held important positions including the post of Deputy Managing Director. Lately, he was in the current charge of the CEO. The Board members have much confidence in him and they expect that the strong position of the Bank in the industry that was created under the leadership of the former Managing Director Mr. Syed Anisul Huq will further be strengthened under the dynamic and able leadership of the new President & Managing Director Mr. Erfanuddin Ahmed.

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e'vsK Gwkqvi Kvh@ug Gi MminKt`i Avīv AR® KţiţQ gjZ AvgvbZ msMon, FY I AwMon cövb, Avg`wb I ißwb e'emv, tiwgţUÝ e'emv Ges glpvdv AR\bi t¶ţî k³ wfZ îvcţbi gva"ţg| cwiewZ% îvbxq I AvšRmizK îeix e'emwqK tc¶∏vcţUi gvţSI e'vsK Gwkqvi AMônigvb hvîv Ae'vnZ iţqţQ Gi Bmjvgx e'vswKs mn wewfbœ D™otebx †mev `vb Kivi gva"ţg, †h¸ţjv Kţcv\biU I e'w³ ch\bar{q} Avgvţ`i MonKţ`i AvKv•Lv ciţbi Dţiţk" cwiKwíZ nţqtQ|

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cůZôvi Aí mgtqi gta Be vsK Gwkqv wbtRtK vbxq temiKvix e"usuKs A½th GKuU `"Z ea®kxi e"usK untmte "XKuZ AR® KţiţQ| eZ@vţb e vsK Gwkqvi iţqţQ 36vU kvLv th tj v t`tki wewfbakxl©rvbxq Ktc@tiUMonKt`i tmev c0vb Kti hvt"Q Ges Gi cykycywk LPiv (retail) e vsnKs Gi †mevi cwi qvYI eyx KitQ| e vstKi AvtiKwU Dtj LthvM tmev gva g ntrQ Gi wbR-^ I Askx`vi wfwËK GwUGq tbUI qvK® e vsK Gwkqvi me\qvU 44 uU GuUGg Gi g‡a" 18uU ubR^^, ewuK 26uU GuUGg Askx`vi wfwˇZ cwiPwjZ nq| 1999 mv‡j, e"vsK Gwkqvi hvÎv ïi" nlavi ci e vsKvU KvbvWvi Ôe vsK Ad tbvfv t wkavÕi evsjvt`k e"emv µtqi qva"tq evsjvt`tki e"vswKs BwZnvtm GKwU bewìM‡š∔ mPbv Kţi∣G NUbvi c†pivewË Avevi N‡U e"vsK Gwkqvi cwkk" #bi Oqmwj q Kqw@kqvj e"vsK wj wqtUWevsjvt`kŌ-Gi KvhPutqi m¤úYSAvaKvtii qva~tq| 2003 mvtj e vsKwUi cô_wgK cvewjK tkavi Bm vj t¶tí côa 55 Y tekx Avte`b cti |

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Corporate Banking & Syndicated Loans

Corporate Banking aims to facilitate corporate customers by providing Banking products and services which are customized to meet up the specific needs of those organizations. Since the beginning, the division is continuously striving to provide more customer focused

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Avgv‡`i K‡c@PiU A_@Pţbi D‡Ïk" n‡"0 K‡c@PiU M@nKţ`i c@qvRb †gUv‡bvi D‡Ï‡k" we‡kIwwqZ cY" cwiKíbv I DboZ †mev cÖvb Kiv| hvÎvi ïi" †_‡K GB wefvMwU g $_1$ "evb K‡c@PiU M@nKţ`i‡K m‡e@P $_1$ "Zi

Bank Financed Projects



Cement Industry

products for its valued corporate clients. We have designed and redefined our products and services which are flexible and customized in terms of individual corporate requirement. Our strategy is to provide comprehensive service to the clients of this segment who are the large and medium size corporate customers. Corporate clients include sole proprietors, partnerships, incorporated businesses and publicly quoted companies.

Bank Asia's exposure to corporate Banking is increasing in a noteworthy manner. Like previous years, a mejor portion of our total credit portfolio for 2008 was accounted for by corporate finance which is approximately 75% of the total credit portfolio. At the end of the year 2008, total outstanding loan of Bank Asia in the industrial sector was Tk. 15,767.09 million compared to Tk. 13,553.46 million in 2007. In the trading sector, it was Tk. 14,228.49 million which was Tk. 8,642.50 million at the end of 2007. During the year 2008, we have also provided advisory services for projects in the telecommunication and infrastructural development sectors.



Power generation plant

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Signing Ceremony for Syndicated Term Loan

Bank Financed Projects



Ship building project

Bank Asia provides syndicated loan facilities to encourage the industrialization of the country. Syndicated financing helps in better due diligence of projects and risk mitigation. Besides, to serve its corporate clients and to expand the base of its corporate clients, Bank Asia also participated in syndication deal arranged by other Banks and financial institutions.

The sectors of financing through syndication now include power, steel, ship breaking, telecommunication, infrastructural development, real estate etc. For the year 2008, the Bank has disbursed a total amount of Tk. 1,425.24 million to these sectors through syndication. The Bank had an outstanding amount of Tk. 3,784.60 million under syndicated financing at the end of the year 2008 including Tk. 394.30 million in the power sector, Tk. 2,310.85 million in textiles and Tk. 668.45 million in the telecommunication sector.

We have allowed large credit to readymade garments industries (RMG) which is an important sector in Bangladesh and generating substantial amount of employment in our country. At the end of the year 2008, our loan outstanding in the sector was Tk. 2,695.11 million.

We also financed the Non-Bank Financial Institutions to meet their growing financing needs. Bank Asia mainly extend loan to the insurance and leasing companies in the form of term loan and overdraft facility. At year end our provided term loan facility has an outstanding amount of Tk. 843.16 million to these institutions.



Pharmaceuticals industry

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Bank Financed Projects



Commercial building complex



Shrimp processing project

Small and Medium Enterprise Finance

The development of Small and Medium Enterprises is increasingly believed to be a desirable objective in view of their contribution to decentralized job creation and generation of output. For Bangladesh, SMEs have assumed special significance for poverty alleviation and contribution to the overall industrial and economic growth. Bank Asia attempts not only to provide financial products and services to this segment but also to help them to be educated and become aware of the ever changing business world. One of our prime visions is to offer customer friendly lending products and services so that SMEs can aspire to take advantage of opportunities of growth and wealth creation.

Realizing the importance of SME to our national economy. Bank Asia has launched a product titled "Shachondo" which is designed for small manufacturing, trading and service oriented businesses. The SME finance grew in a moderate pace in the year 2008. To accommodate the demand of the emerging SME segment, the unit is developing more products which are expected to be formally launched in 2009. At the end of the year 2008, the total client number under the product "Shachondo" stood at 282. The Bank disbursed a total amount of Tk. 190.45 million during the year under review of which total outstanding was Tk. 152.40 million at the end of the year 2008.

Micro Finance

Poverty alleviation always gets a special attention in our business expansion policy. One of our main intentions is to assist low income earning people by providing loan to establish fisheries, poultry farms, small and cottage industries, village transport and small engineering workshop. We are also helping to establish computer training center where electricity supply is available. It will help to create employment opportunities for the unemployed young people. In the primary stage, we have provided those loan facilities through the help of some established NGOs. In addition to that, now we also facilitate channeling of micro finance through our rural branches for poverty alleviation program. In the year 2008, we have disbursed a total amount of Tk. 35.42 million.

Consumer Finance

Consumer Credit has enormous potentiality in our economy. To cope with extensive and diverse demand of consumer credit, the consumer credit centre has already diversified its products and facilities along with providing various incentives to customers having long relationship through recurring deposit accounts. Our consumer loan products comprise of Consumer Durable Loan, Unsecured Personal Loan, House Finance, etc. The year 2008 marked

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a series of exciting events and achievements for Consumer banking. As of 31st December 2008, total consumer credit outstanding was Tk. 1,521.33 million and total number of Accounts was 4,660. In the year 2008, we have disbursed Tk. 1,001.18 million under Coverage products.

Credit Card division of Bank Asia has passed a growing year of operation in 2008. It has achieved significant growth in sales and profit in the year 2008. Profit reached

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Bank financed project - Agora, Gulshan

Tk. 15.00 million within one year of its operations. It has launched its VISA dual currency credit card in the last quarter of 2008 and has introduced a new mini credit card for the first time in Bangladesh named "Visa Tuntuni". Both the products have been widely accepted by all level of customers. Now, Bank Asia is issuing its tailored credit card products under the logo MasterCard and VISA. The total sanctioned amount against Credit card was Tk. 428.10 million and total outstanding was Tk. 173.11 million at the end of December 2008. Bank Asia is planning to expand its operation in the field of ATM, point of sales (POS) and VISA debit card in 2009.

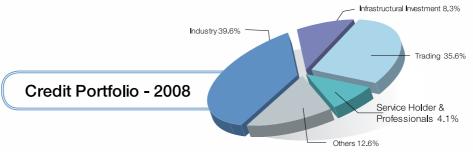
Sectoral Distribution of Credit

During the year credit portfolio of Bank Asia increased substantially. At the end of the year 2008, loans and advances of the Bank stood at Tk. 39,975.00 million compared to Tk. 28,456.94 million of 2007. The sectoral exposure of the Bank's loans and advances is presented below.

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Sectoral Distribution of Credit 2008

SI.	Sector/ Sub-sector	20	08	200	7
No	Sector/ Sub-sector	Tk. In million	%	Tk. In million	%
1	Agriculture/ Fishing, Diary Firm	1.54	0.00%	315.40	1.11%
2	Industry				
	i) Jute	86.11	0.22%	53.60	0.19%
	ii) Textile	2,310.85	5.78%	1,797.32	6.32%
	iii) Garments	2,695.11	6.74%	1,843.89	6.48%
	iv) Chemicals	402.46	1.01%	355.43	1.25%
	v) Cement	600.84	1.50%	601.31	2.11%
	vi) Steel Engineering	2,504.68	6.29%	2,401.82	8.44%
	vii) Electronics	181.61	0.46%	220.14	0.77%
	viii) Paper	706.93	1.78%	461.71	1.62%
	ix) Food & Allied	2,317.10	5.82%	2,178.63	7.66%
	x) Housing (Real Estate)	1,419.07	3.57%	789.28	2.77%
	xi) Others	2,542.33	6.36%	2,850.33	10.02%
	Sub-total Industry	15,767.09	39.63%	13,553.46	47.63%
3	Infrastructural Investment				
	i) Power	394.30	0.99%	196.47	0.69%
	ii) Constructions	1,064.86	2.68%	473.82	1.67%
	iii) Transport	1,156.19	2.91%	1,080.41	3.80%
	iv) Telephone	668.45	1.68%	572.63	2.01%
	Sub-total Infrastructural Investment	3,283.80	8.26%	2,323.33	8.16%
4	Trading	14,228.49	35.59%	8,642.50	30.37%
5	Banks & Micro Financing Institutions	466.78	1.17%	-	0.00%
6	Non Banking Financial Institution	843.16	2.11%	499.45	1.76%
7	Service Holder & Professionals	1,649.70	4.13%	988.39	3.47%
8	Staff Loan	246.85	0.62%	193.71	0.68%
9	Banks (Bills Discounting)	3,487.59	8.72%	1,940.70	6.82%
	Total :	39,975.00	100.00%	28,456.94	100.00%

Islamic Banking

As Bank Asia always tries to give its clients total satisfaction and freedom to choose, it has launched the Islamic Banking Wing for its clients. In 2008, the Bank inaugurated Islami Banking Wing at its Uttara Branch alongside the conventional banking. Bank Asia has planned to open new wings of Islami Banking covering the whole country in coming years. All Islami Banking Wings are monitored by the Islami Banking Division and Shariah Council of the Bank. Our clients also showed their strong support to Islami Banking Wing as we have already achieved a first-rate customer base in this area of operation. To give a total Islami Banking solution to its clients, Bank Asia maintains separate set of Accounting and Finance system for its Islami Banking wing.



Inauguration of Islamic Banking at Uttara

Bmj vqx e vsvKs

MônKţ`i cYmšnó I cOţ›`i - raxbZv wbwðZKiţY e vsk Gwkqv me vB tPóv Kţi hvţ"Q Ges GiB avivewnKZvq PvjyKiv ntqtQ Bmj vgx e vswKs | 2008 mvţj e vstKi DEiv kvLvq cPwjZ e vswKs KvhPuţgi cvkvcwk Bmj vgx e vswKs tmevI Pvjy Kiv nq | Avmbœw`b ţţ vtZ e vstKi me ţţ v kvLvq Bmj vgx e vswKs tmev Pvjy Kivi cwi Kí bv i tqtQ | Bmj vgx e vswKs we fvM I kixqvn&KvDwYţj i wbweo ch\$e¶ţY cðZvJ Bmj vgx e vswKs kvLv cwi Pvwj Z nt*Q | Avgvţ`i m¤\$wbZ MônKe*, Bmj vgx e vswKs Gi cðZ Zvt`i Mfxi AvMôn cðKvk KţitQb hvi et`\$j‡Z Bmj vgx e vswKs kvLv mgn BwZgta" c½g tkð/xi MônK wfwE Mţo Zij‡Z m¶g ntqtQ | MônKt`i cwi cYBmj vgx e vswKs tmev w`‡Z e vsK Gwkqv c** K wnmwe I A_rqb c×wZ cð*jb KţitQ|



1st meeting of Sariah Council

The Islami Banking wing started with some customer focused products, like-Al-Wadiah Current Account (AWCA), Mudaraba Special Notice Deposit Account (MSND), Mudaraba Saving Account (MSA), Mudaraba Term Deposit Account (MTDA), Mudaraba Hajj Savings Scheme (MHSS), Mudaraba Deposit Pension Scheme (MDPS) and Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS).

Brokerage Unit

In the year 2008, Bank Asia got Brokerage House license from Dhaka Stock Exchange (DSE) in a very competitive bid. Among 15 applicants, Bank Asia obtained the DSE membership. The brokerage business will support diversifying of the Bank's business and also open up avenues in related areas. As Bangladesh's capital markets are expanding, there exists a good opportunity in the brokerage business in the coming days.

Remittance

Wage earners' remittance from overseas is gathering momentum over the past several years, positioning itself as an inevitable feature for economic escalation. Given the contribution of Bangladeshi expatriates, Bank Asia has arranged its services to facilitate the ongoing remittance settlement process through sophisticated technology. To give effect to the system, the Bank has signed a good number of long term arrangements with different well-connected remittance partners across the world. At present, the Bank's global partners in remittance system are 17 in number. We are looking continuously to extend our relationship with more exchange houses and money transfer agents to broaden our remittance service. Meanwhile, the Bank has established correspondent relationship with large local banks and NGOs to ensure delivery of funds to the recipient anywhere in the country at the shortest possible time.

In 2008, the Bank has channeled Tk. 11,648.30 million of inward foreign remittance in equivalent foreign currencies which were delivered to the beneficiaries all over the country through our 36 branches and near about 400 branches of partner NGOs namely 'Buro Bangladesh'



Remittance Agreement with Trust Bank

MônK †mev‡K m‡ev® colavb w tq Bmjvgx e uswks kvlv we‡kl wkQy cy wbtq Zvi hvlv mPbv KtitQ cy ti pt i gta itqtQ Avj Iqw qvn PjwZ wnmve, gy vivev we‡kl †bwllk Rgv wnmve, gy vivev mÂq wnmve, gy vivev †gqw Rgv wnmve, gy vivev n³4 mÂq ag, gy vivev †cbkb Rgv ag I gy vivev gwmK gybvdv cwi‡kva Rgv ag |

te®KvtiR BDvbU

2008 mvtj AZ¨Š-cŴZţhvMxZvgjK tUÛvţii gva¨ţg e¨vsK Gwkqv XvKv ÷K G·ţPţÄi KvQ t_‡K teðKvţiR nvD‡Ri Abţgv`b jvf Kţi| cţbiwU Avţe`ţbi gţa¨ e¨vsK Gwkqv XvKv ÷K G·ţPţÄi GB m`m¨c` jvf Kţi| teðKvţiR e¨emv e¨vsţKi mvgwMk e¨emvq ^ewPΨ Avbqţbi cvkvcwwk bZb e¨emvi Øvi Dţb\Pb Kiţe| thţnZı evsjvţ`ţki gjab evRvi GLbI m¤cmviYkxj, ZvB teðKvţiR e¨emvq mdjZv jvţfi e¨vcK mţhvM iţqtQ|

cëvmx Avq

GQvov † † ki Afësti MônţKi wbKU UvKv ` * Z † côţQ † `qvi Rb" Avgiv † † tki eo e"vsKmgn I GbwRlôţ` i mvţ_ wewbgq m¤úr Tvcb KţiwQ| 2008 mvţj e"vsK Gwkqv 1,164.83 † KwU UvKv gj "gvţbi cêvmxţ` i ^eţ` wkK gŷ i e "vsţKi 36 NU kvLv I mnţhvMx GbwRl ûeÿţiv evsj vţ` kû I



Remittance Agreement with Western Union

and 'Jagoroni Chakra Foundation'. To go for big volume business, a separate Foreign Remittance Department has also been established at the Corporate Office of the Bank to ensure excellence in service. It is mentionable that in association with above mentioned NGOs in 2008, we have established arrangement with Western Union, a renowned multinational company with 300,000 agent locations across 200 countries and territories with a view to handling real-time remittance transactions across the country.

Asset Liability Management

To generate profit, Banks usually borrow short term and lend long term, which results in mismatch between maturity of asset and liability. Towards minimizing the asset liability maturity gap we have created some attractive liability products at different long term maturity bucket that match the maturity buckets of asset products of the Bank. Deposits increased to Tk. 42,435.24 million in 2008 compared to Tk. 30,004.09 million in 2007 and Loans and Advances increased to Tk. 39,975.00 million compared to Tk. 28,456.94 million in the previous year.

Capital Adequacy & Provisions

Capital adequacy indicates the equity base with respect to risk-weighted assets derived from both on and off balance sheet activities of the Bank. With the aim of keeping the financial health of the Bank sound and stable, we always strive for maintaining a strong capital base above the regulatory requirements. Since inception, we have been always maintaining our capital base above the level of regulatory requirement. Our authorized capital is Tk. 4,450.00 million, which gives the scope for raising capital in future. At the end of the year 2008, paid up capital of the Bank stood at Tk.1,743.75 million compared to Tk.1,395.00 million in 2007. Compared to the current regulatory requirement of 10.0%, the Bank attained capital adequacy of 11.24%, in which Tier I capital comprised 9.35% and Tier II capital 1.89%.

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m¤ú` l `vq e"e Tvcbv

glovdv AR\$bi Rb" e"vsK mvaviYZ ¯f †gqvt` AvgvbZ MbY K‡i Ges `xN®†gqvt` FY cÖvb K‡i | hvi dj kbuZ‡Z m¤ú` I `vq Gi cY\vec{Z}vi †gqvt` GK fvimg"nxbZvi D\text{\text{M}e} nq | m¤ú` I `vq - Gi GB †gqv` e"eavb Kgvtbvi D\text{\text{I}} t\text{\text{K}e} e"vsK Gwkqv wKQyAvKI\text{\text{Y}vq} `xN\text{\text{\text{g}qv}`x †mevc\text{\text{Y}'i c\text{\text{\text{\text{\text{P}}}} b K\text{\text{\text{\text{\text{K}}}} hv e"vs\text{\t

gjab ch\BZv I ms\bmgn

gjab ch®Zv ej‡Z gjZt e"vstKi DØËcţîi Aš♥³ I ewnੴF³ KgRvÛ n‡Z D™Z SwKfwiZ m¤úţ`i Dci wfwË Kţi wbamiZ ch® gjab wfwË eßvq| e"vstKi Aww_R Ae¯v my`p I w¯wZkxj ivLvi Rb¨ Avgiv wbqšyKvix KZ₺¶ KZ₨ teփa t`qv wbamiZ nvţii tPtq tekx gjab wfwË Mţo tZvjvi Rb¨ memgqB m‡Pó| cŵZôvi ïi" †_‡K e"vsK wbqšyKvix KZ₺¶ KZ₨ teփa t`qv wbamiZ nvţii tPtq tekx gjab eRvq ti‡L AvmţQ| Avgvt`i Abţgww`Z gjab 445.00 †KwW UvKv hv fwel"‡Z gjab Avil ewxi mţhvM KţiţQ| 2008 mvţji †kţl e"vstKi cwiţkwaZ gjab `wwotqtQ 174.38 †KwW UvKvq hv 2007 mvţj wQj 139.50 †KwW UvKv| gjab ch®Zvi e"vcvţi bb"Zg 10.00% nvţii wecixţZ e"vstKi gjab ch®Zv eZţvţb 11.24% hvţZ cûg ¯‡ (wUqvi-1) gjab 9.35% I wØZxq ¯ţ (wUqvi-2) gjab 1.89% iţqtQ|

Capital composition of last three years:

(Fig. in million)

Capital Composition	2006	2007	2008
Paid-Up Capital	1,116.00	1,395.00	1,743.75
Levels of Capital			
Capital - Core (Tier- I) *	1,949.74	2,667.17	3,317.22
Capital – Supplementary (Tier II) **	273.58	380.21	670.53
Total Capital Maintained	2,223.32	3,047.38	3,987.75

^{*} Core capital (Tier I) includes Paid-up capital, issued Bonus share, Share Premium Account, Statutory Reserve and Retained Earnings.

^{**} Supplementary capital (Tier II) includes General provision (on unclassified loans), Exchange Equalization Account, Asset Revaluation Reserve and Revaluation loss on Investment held to maturity (HTM).

As per tax law, the Bank had to pay 45% tax on the income, and as per Bangladesh Bank regulation the Bank had to provide provision for unclassified loan and classified loan at some specified rates. Besides, as per Bangladesh Bank regulation the Bank had to provide provision at the rate of 1% on contingent liabilities.

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(Fig. in million)

Provision	2006	2007	2008
Provision for Income Tax	491.34	641.25	719.04
Provision on Classified Loan	332.98	417.48	644.77
Provision on Un-Classified Loan	269.35	322.34	498.24
Provision on Contingent Liabilities	-	70.34	164.77

Financial Position

Our financial highlights are growing year to year due mainly to operational efficiency and an increasing customer base. During the year Bank Asia achieved an operating profit of Tk.1,904.88 million compared to Tk.1,574.72 million in the previous year, a growth of 20.97%. After making necessary and regulatory provisions net profit stood at Tk.686.70 million as of December 31, 2008. An amount of Tk.719.04 million has been set aside for tax payment to the national exchequer.

Our operating income has been on an increasing trend contributed by increased loans and advances, increase in foreign exchange business and efficient fund management. Total income increased from Tk. 4,959.02 million in 2007 to Tk. 6,631.55 million in 2008. Gross interest income accounted for 74.99%, income from investments 9.16%, commission 12.79% and other income 3.06% of total income in 2008. Although the Bank's Earnings per share (EPS) shows a negative growth in 2008, it is due to increase in the number of share.

Money Market Operations

In 2008, there were some ups and downs in the liquidity position of the money market which resulted in monthly weighted average call rate of the Bank to move in a range between 6.64% to 14.93%. The surplus funds were invested by the Bank either in the call money market, placed funds in the form of term deposits, invested in T-Bills or placed in Reverse Repo with the Bangladesh Bank. To maintain the SLR, Treasury mainly invests in Treasury bill & bond. Weighted average interest rate of our total portfolio of T-Bill & Bond was 11.14% in 2008. In the same year, income from treasury bill/bond was Tk. 598.12 million. As on 31st December 2008, in our portfolio, Tk. 2,316.10 million (face value) was in Held to Maturity (HTM) bucket and Tk. 3,200.00 million (face value) was Held for Trading (HFT) bucket. The treasury securities include 364 days T-Bill, 3 Years T&T Bond, 5 Years BGTB, 10 Years BGTB, 15 Years BGTB.

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Foreign Exchange Market

Bank's treasury sells foreign currency to its customers for import payment, and buys foreign currency from exporters out of their export proceeds and inward remittance from various exchange houses. Treasury is also very much involved in the inter-bank foreign exchange market. In the year 2008, volume of our import and export business increased significantly and our Treasury had efficiently managed the whole transaction while generating substantial amount of exchange gain. During the year Treasury purchased foreign currency worth USD 104.10 million from the inter-bank market against which it sold USD 5.00 million.

International Trade

The foreign trade business of the Bank was buoyant during the year. Import business increased to Tk. 50,985.00 million in 2008 from Tk. 39,218.70 million in 2007, and export bills increased to Tk. 25,155.30 million in 2008 from Tk. 20,417.30 million in 2007. The inward and outward remittances handled by the Bank were Tk. 11,648.30 million and Tk. 437.10 million respectively in 2008 compared to Tk. 11,583.60 million and Tk. 504.40 million respectively in 2007.

The Bank had correspondence relationships with 399 Banks in 110 countries as of end 2008. Total confirmation lines now stands at USD 48.00 million with leading global Banks. The Bank has been using SWIFT communication system for foreign trade and is connected to REUTERS which aids in properly managing our treasury operation.

Internal Control and Compliance

Good controls encourage efficiency, compliance with laws and regulations, and sound information flow by eliminating fraud and abuse. Internal control is not only about getting things done the right way, but also about ensuring self-monitoring mechanisms and actions that are taken to correct deficiencies as they are identified, and also help to maintain transparency and accountability. Bank Asia has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank and to ensure the implementation of the guidelines. There is an Internal Control and Compliance Department (ICCD) headed by an Executive Vice president. The head of ICCD is responsible for compliance and control related tasks which include compliance with laws and regulations, audit and inspection, monitoring activities and risk assessment. The department is split into three units - Compliance Unit, Monitoring Unit and the Audit and Inspection Unit.

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To alleviate operational risk, money laundering and terrorist financing risk Internal Control and Compliance Department (ICCD) is carrying out regular audit and inspection of the operations of the branches. Irregularities/ lapses/ deficiencies detected by this audit and inspection unit are rectified by the concerned branches and then submit compliance report to the head office. To strengthen internal control function, the Bank has prepared an Internal Control and Compliance manual and the branches and divisions of the Head Office are following Departmental Control Function Checklist attaching due importance to high risk and medium risk functions. We map for the future bolster of compliance and monitoring unit. ICCD would ensure that our auditors are well skilled and are competent to identify issues that are likely to damage the reputation of the Bank and could result in risk of loss, and would be seen as partner in our efforts to enhance the image of the Bank.

Technology and Innovation

Banking industry is in the midst of an IT revolution in Bangladesh today. The arrival of foreign and some private Banks on the scene with their superior technology-based services pushed the overall banking industry to follow suit by going in for the latest technologies so as to meet the threat of competition and retain their customer base.

Information Technology has basically been used under two different avenues in banking. One is communication and connectivity, and the other is business process reengineering. Information technology enables sophisticated product development, better market infrastructure, control of risks and reaching geographically distant and diversified markets.

Bank Asia symbolizes a system of modern banking with innovative services in Bangladesh. We provide online banking, ATM support, SMS and internet banking services in the country. Our newly developed web application is fully authentic, secured and robust. This technology based services also provide customer fund transfer through internet, Debit/ Credit Card facility, free SMS service, and special type facility of withdrawal from one's account.

Delivery Channel

Focusing on the need for increased customer service delivery points, we have been continuously adding new delivery outlets. Our delivery channels at present include 36 Branches, 1 Booth, 2 Kiosk, 18 own ATMs, 26 shared ATMs, Internet Banking, POS Machines, Phone Banking, and Mobile Banking. Our customers can enjoy the ATM facilities of other Banks. We also have offshore banking facility to smooth the operation of foreign trade.

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Branch Network

Aspiring to broaden our services and to amplify our reach to our growing and valuable clientele, we are constantly looking for opportunities of adding more branches to our growing network. At present, we have a total of 36 branches out of which 8 are rural branches, two Kiosk and one Booth. We hope, that at the end of 2009, the number of branches shall reach to 38, which will enrich our current network. At present, all branches including Islamic Banking wing are under our online banking system using a common centralized server. We have the capacity to add on more branches and Islamic windows with our network.

ATMs

An Automated Teller Machine (ATM) is a computerized telecommunication device that provides the customer access to financial transactions in a public space without the need of a bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smartcard with a chip that contains a unique card number and some security information. Security is provided by the customer entering a Personal Identification Number (PIN). Using an ATM, customers can access their bank accounts in order to make cash withdrawals (or credit card cash advances) and check their account balances as well as transfer fund or make bill payment.

Although the Bank carries its banking activities through 36 branches in the country, Bank Asia's customers have access to 18 own ATMs, 26 E-cash ATMs as a member of ETN and more than 270 DBBL ATMs. The Bank is also in the process of expanding its own ATM network at every focused point in the capital city with a view to providing retail banking services.

Internet Banking

The customers of Bank Asia can access their account using own ID and password from anywhere through internet and can do banking transactions. Internet Banking facilities include: profile change, balance enquiry, transaction statement, fund transfer, utility bill payment, cheque book request, stop payment request, enquire foreign exchange rate, change of the password and pin code, etc.

Mobile-Banking

Short message service (SMS) is a popular communication protocol allowing the interchange of short text messages between mobile telephone devices. Nowadays it is the most widely used data application used on mobile handsets. Based on this popular and easy facility, Bank

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Telephone Banking

Interactive Voice Response (IVR) system offers the customers express access to account information and transaction processing using a touch-tone or wireless telephone. Telephone Banking provides a convenient home banking service 24 hours a day, 7 days a week. It makes banking faster and easier. It handles customer's call with a professionally recorded voice, prompts the caller by describing available services and information and then provides the requested information. No longer are Bank personnel burdened answering routine customer questions. If a customer does require personal assistance during regular business hours, the call can be quickly transferred to a customer service representative. The services of telephone banking are - account balance information, last five transaction details, pin code change and product & service information.

Information Technology: Infrastructure and its improvement

In line with BRPD circular no. 14 dated 23.10.2005, "Guideline on Information and Communication technology for Scheduled Banks and Financial Institutions", Bank Asia has an Information and Communication Technology (ICT) policy manual whose purpose is to give clear guidelines, rules and regulations for all activities and operations related to data security, network security, physical security, facility design, disaster management and recovery, use of hardware and software and protection of copyrights. This policy applies to all across Bank Asia including the employees, the Bank's service partners and also applies to all equipment connected to the Bank Asia LAN or WAN.

For further development of our Information System structure, we have a highly skilled IT team who are working continuously for the betterment of the information technology structure. This year we have developed and successfully implemented a module for Islamic Banking named "Hikmah" which means "knowledge". Besides, our SME module is functioning well in all branches. Furthermore, we are operating two deposit machine through which

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evsjyt`k e'vsK KZK RvixKZ weAviwcwW mvKjyf bs - 14, Zwil t 23/10/2005 Abþnyqx e'vsK Gwkqvi GKwU wbR^^ ÔZ_'' I thyMythyM chyy³ bwzgyjyð i‡q‡Q hy‡Z Z_'' wbivcëv, tbUlqvK® wbivcëv, ewn'K wbivcëv, tmev cwiKíbv, `‡hyMl e'e'vcbv, nyWPq'vi I mdUlq'vi - Gi e'envi, tgav-'Z¡ i¶v BZ'wi mKj Kyhnejx I cwiPyjbv wel‡q myīúó wbqg I wewagyjv mwbobewkZ Kiv Av‡Q| G bwzgyjv e'vsK Gwkqvi c‡iv Kyhneg R‡o chyjz, h_v Gi Kgr, mnthyMx chzôvb Ges mKj chKvi miÄvgwi hv e'vs‡Ki LAN I WAN Gi my‡ RwoZ|

eZ@vb AeKvVvtgvi AviI Dbqb I m¤cmivityi Rb Avgvt`i itqtQ cmikun Z I D"P`¶Zv m¤úbæGKwU AvBwU Uxg | 2008 mvtj Bmj wgk e vswks cwiPvj bv Kivi Rb Avgiv Ounkgvnnee Avb bvtg GKwU gwWDj ^Zix KtiwQ | cvkvcwk Avgvt`i ^Zix GmGgB gwWDjwUI eZ@vtb me kvLvq KvR KitQ | GQvovI Avgiv `BwU UvKv Rgv tgwkb Pvjy KtiwQ hvi Øviv Mminkmy w`b ivZ 24 NoUvB UvKv Rgv w`tZ cvitQb | BoUvitbU e vswks

customers can make deposits through envelope 24 hours a day. In terms of our net banking facility, we have received Bangladesh Bank approval for third party fund transfer and waiting for the approval of online account opening. In order to facilitate quick and safe remittance of fund from abroad, we are working in association with different agencies including Western Union. An efficient module has been deployed to handle the Western Union transactions. As a Foreign Remittance Department has been formed, we have a plan to develop different individual modules for different agencies. We have planned to deploy Centralized Trade - Finance Processing, Machine Interactive Credit Supervising, Central Account Opening and Document Management, Central Advance Document Management, Help Desk Management, Quantitative Performance and Appraisal Grading in Human Resources, Compliance of Basel - II Requirements, etc.

Human Resource Management

In Bank Asia, we believe that the employees are the most important and valuable component of doing business. As an outcome of this belief, Bank Asia focuses on attracting, developing, monitoring and retaining the very best talents. Bank Asia's human resource management practices are growing in an increasingly intense competitive HR market. At the end of year 2008, total number of employees reached 802 compared to 637 in 2007.



5th batch Management Trainees and Probationary Officers

Selection and Recruitment

Bank Asia seeks to promote and recruit the most potential talent and attach great importance to cultivate their talent. We try to identify the potential individuals through an impartial and objective process, and provide them accelerated learning and growth opportunities. Our recruitment policy is rigorous and transparent, and we are constantly making efforts for selecting the right person for the right place in order to get the best out of them. The Bank is recruiting Management Trainees and Probationary Officers every year, who are fresh graduates in different subjects. They are turned into well equipped professionals by providing regular training so that they have the incentive to stay back within the organization and look forward to step into management positions.

gvbe m¤ú` e¨e¯vcbv

e'vsK Gwkqv wekym Kti KgxPvB e'vstKi e'emvi metPtq i'ZcY©Ges gj'evb Dcv'vb| G wekytmi Dci wfwE KtiB e'vsK Gwkqv tgavext'i AvKá Kti Ges Zvt'i `¶Zv, Dbqb I tcÖYv myó Kti Zvt'itK `xN\$gqvt' wbtqwwRZ ivtL| e'vsK Gwkqvq gvbem¤ú` e'e'vcbv GKwU µgea@vb e'vcK côZthvMxZvgjK gvbem¤ú` evRvtii wfZi w`tq weKwkZ nt"0| 2008 mvtji tktl Avgvt'i me\$gvU KgxP msL'v `wovq 802 Rb hv 2007 mvj tktl wQj 637 Rb|



6th batch Management Trainees and Probationary Officers

wbe@b I wbtqvM

e'wsK Gwkqv cikz tgavext`i wbtqvM, ct`vbwz I tgavi jvjtb mtevP _i"Z; w`tq _vtK| m¤vebvgq e'w³t`i Avgiv GKwU wbitc¶ I 'elwqK cijuqvi gta" w`tq wbtqvM t`Iqvi tPóv Kwi Ges GKB mvt_ Zvt`itK MwZkxj cikk¶Y I Dbqtbi mythvM Kti t`B| Avgvt`i wbtqvM cijuqv GKwU KwVb Ges _^Q cijuqvi gva"tg ntq _vtK| Avgiv memgtqB mwVK e'w³tK Zvi h_v_© 'vtb t`Iqvi tPóv Kwi thb Gi gta" w`tq mtevP chlqi dj cvIqv hvq| cijZ eQi e'vsK wewfbooweIq t_tK m`" wWMiavix tgavex Zi"Y - Zi"Yxt`i e'e'vcbv cijk¶Yv_x^nntmte wbtqvM w`t"Q| wewfbocijk¶tYi gva"tg Zvt`itK`¶ Kgp*untmte Mto tZvjv nq thb cijZôvtbi mvt_ Zviv `xNmgq t_tK e'e'vcbvi tR'ô Ae'vb mg‡n tcijQvtbvtZ Drmvnteva Kti|

Training and Development

Skilled and motivated staff plays a crucial role in achieving top performance. Knowledge and skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the Bank continues to organize various training programs and workshops. To undertake training more efficiently and effectively, Bank Asia is maintaining its own training Institute. The training institute is equipped with all modern study aid and materials. In the year 2008, a total of 470 employees attended different types of trainings, workshops and seminars at both home and abroad. Besides HRD, different departments like Internal Credit & Compliance, Central Accounts, IT, ID, Anti-Money Laundering, Cards,



Foundation Training

Remittance Department, SME Unit and Islami Banking Division also arranged training in their respective fields. Bank Asia has an "Internship Program" in order to get fresh graduates acquainted with the real world corporate affairs. New recruits are put through a rigorous training program, both Off-the-job and On-the-job, to equip them to meet the challenges of their tasks. In 2008, Bank Asia invested Tk.1.42 million for upgrading their employees' knowledge.

cük¶Y I Dbarb

`¶ I DØyk Kgfilv e "vstki mdj Zvq ji"ZçY© fwgKv cvjb Kti | Ávb I `¶Zvi Dbqb GKwU Pjgvb côluqv | e "vswKs LvtZi mv¤côlZK Dbqb m¤úwK\notin Wewfbe weltq Kg\notin KgPvixt`i IqwwKenvj ivLvi Rb" e "vsK wbqwgZ wewfbe côlk¶Y KvhPug I Kg\notin VtqvRb Kti hvt"Q | côlk¶Y KvhPugtK AwaKZi Kvh\notin Kivi ft_© e "vsK Gwkqv AvaybK AeKvVvtgvMZ myeav m¤njZ wbR^ GKwU côlk¶Y tk\rangle a cwiPvjbv KitQ | 2008 mvtj côlq 470 Rb Kg\notin Z\notin tk - wet tk wewfbe côlk¶Y, Kg\notin Vjv Ges tmwgbvti AskMônY Kti | gvbem¤ú` wefvM QvovI Ab"vb" wefvM thgb Af"sixb wbq\s\notin I wbqg cwicvjb wefvM,



Training on BASEL-II

tKɔ`iq wnmvei¶Y wefvM, AvBnU wefvM, KvW© wefvM, cèvmx Avq wefvM, GmGgB BDwbU Ges Bmjvgx e¨vswKs wefvM Zvt`i wbR¯^ weltq coik¶Y Kvhpug cwiPvjbv KitQ| m`¨ cvk Kiv wWMôavixt`i Rb¨ e¨vsK GwkqviitqtQ wk¶vbwek KgmPx hvtZ Zviv KtcvniU welq m¤útK©ev¯e wfwEK ÁvbvR∮bi mythvM cvq| 2008 mvtje¨vsK Gwkqv Kgxp³i coik¶tyi Rb¨ 14.20 j¶ UvKve¨q KtitQ|

Detail of local and in-house training

SI No.	Subjects	Number of Training	Number of Participants
1	Foundation Course	2	41
2	Foundation Course for MTs & POs (In-house)	2	41
3	Foundation Course at BIBM for MTs & Pos	1	26
4	General Banking	1	16
5	Foreign Trade Finance	1	16
6	Credit Management	1	22
7	Islamic Banking and Finance	1	19
9	Customer Service Intelligence	1	18
10	CIB Reporting	1	23
11	SBS-I, II & III	2	40
12	CRM Manual	1	20
14	Prevention of Malpractices in Bank (GB)	1	18
15	Detection, disposal of forged & mutilated notes	1	26
	Total:	16	326

Detail of local workshops/seminars/induction program

SI No.	Subjects	Number of Training	Number of Participants
1	BASEL-II Implementation	1	25
2	Short Course in BIBM	23	45
3	Workshop in Bangladesh Bank	2	27
4	Training on Anti Money Laundering	1	35
	Total:	26	132

Detail of foreign training/workshops/seminars

SI No.	Subjects	Number of Training	Number of Participants
1	CRG & BASEL-II	1	3
2	International Trade	8	9
	Total:	9	12

Rewarding Better Performance

Motivating and developing skills of staff is necessary for successful achievement of the Bank's objective. Employees who contribute remarkably are rewarded accordingly. Bank Asia recognizes that some motivation is required in the work place to direct the workforce to put extra effort and peruse creativity. Over the years, the Bank has successfully created an efficient pool of manpower through its performance based reward system. The best branches and best Managers of the urban and rural areas are adequately rewarded, which, we believe, is also contributing towards improved performance and better quality services of the Bank.

Bank Asia offers the best pace of career progression for their employees. A good number of employees get promoted every year on the basis of performance. Bank Asia also offers a competitive compensation package for their employees.

fvj Kv‡Ri wfvˇZ cyj¯vi

e "vstKi KwrLZj¶" mdj fvte AR\$bi Rb" Kgx®ewnbxi`¶Zv I Abţcû Yv ew× GKvš-cûqvRb | Kgx® i gţa" hvţ`i Ae`vb Dţj LthvM" Zvţ`iţK KvţRi - x̂KwZ-ffc cj -zZ Kiv nq | Kgx® i KvQ † tK Avšwi K Ges mRbkxj KvR tcţZ Aek"B Zvţ`iţK wKQzweţkI cûYv`bv †`Iqv DwPZ eţj e "vsK Gwkqv gţb Kţi | Ûfvj KvţRi Rb" cj -vi Û GB gj "vqb bwzZi eţ `Šj‡Z e "vsK Gwkqv GKwJ`¶ Kgx®ewnbx Mţo Zj‡Z m¶g ntqtQ | Mûg I knivÂţj tkôb kvLvmgn Ges e "e -vcKe; `ţK cûZ eQi cj -zZ Kiv nq Ges Avgiv wekļm Kwi GB e "e -v cûZţhvwMZv ew×i gva"ţg KvR I tmevi gvb Dboz Kiţe |

e'vsK Gukqv KgxP' i †ckvMZ †¶‡Î `*Z DbwZi mţhvM K‡i †`q| KwZ‡Z¡i wfwE‡Z cöZ eQi †ek wKQy KgxP` i c‡`vbwZ †`lqv nq| GQvovl e'vsK Gwkqv Zvi KgxPwnbxi Rb'' GKwU cöZ‡hwMZvq‡K cwiköq‡Ki e'e-v †i‡L‡Q|



Risk Management

Risk Management within the Bank always calls for careful and responsible handling of the risks. Taking risk is at the core of bank business and risk is generated from both external and internal sources and may make the way hazardous for Bank's existence if not mitigated or minimized properly. Introduction of Basel II has envisioned a comprehensive set of Risk Management practices for a sound banking system across the globe. Accordingly the Central Bank has identified five core areas of risk and outlined various processes to effectively manage them. The risk areas are:

- 1. Credit Risk
- 2. Asset and Liability/ Balance sheet Risk
- 3. Foreign Exchange Risk
- 4. Internal Control and Compliance Risk
- 5. Money Laundering Risk

Bank Asia always tries to find a balanced way of managing risk that can protect the interest of the shareholders and depositors by keeping risk at a minimum level and providing maximum return. Towards strengthening the risk management of the Bank with special attention to the five core risk areas, committees have been formed at the Corporate Office level. The objectives of the committees are to develop and implement the Bank's Risk control principles, frameworks, limits, and processes across the five core risk areas as identified by Bangladesh Bank. Bank Asia's approach and action in the Risk areas are briefly discussed below t

1. Credit Risk

Credit risk is defined as the risk that arises from the uncertainties of counterparty's ability to meet its obligations to the Bank as they become due. In banking, this is an obvious area that needs to be managed. Since there are many types of counterparties - from individuals to sovereign governments and many different types of obligations, from auto loans to derivatives transactions, credit risk takes many forms. Every loan exposure or transaction with counterparty exposes the Bank to some degree of credit risk.

Credit Risk Management is designed and continuously updated to identify, measure and mitigate credit risk to maintain and improve quality of loan portfolio and to reduce potential and actual losses. To mitigate the credit risk, segregation of duties of the officers and executives in the credit related activities has been introduced. At Corporate office, the Bank has established separate departments which are entrusted with the tasks of marketing of credit products, maintaining effective relationship with the customers, exploring new business opportunities etc. Three separate units have been formed within the credit division. These are i) Credit Risk Management Unit ii) Credit Administration Unit, and iii) Credit Monitoring and Recovery unit.

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e'vstKi Syk e'e'vcbv ej‡Z Gi wewfbœ Sykmg‡ni hZkxj
Ges `wqZkxj wbqš½tK eßvq| e'vswKs e'emvi g‡jB i‡q‡Q
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†_‡K D™ê n‡Z cvţi | GB Swk‡K mwWkfvţe wbqš½ ev `ixfZ
Kiv bv n‡j Zv e'vstki Aw'Z‡K wec`mskj Kţi Zj‡Z cvţi |
G‡¶‡Î mwwek Syk e'e'vcbvi w`k¸ţi v Ztj aţi e'vtmj-2
weke vcx GKwU DbœZ e'vswKs e'emvi †¶Î cö'Z Kivi †Póv
Ki‡Q| †K>`îq e'vsKI h_vh_vfvţe Swki cvPvU †¶Î wbYê
Kţi‡Q Ges Gţ`iţk wbqš½ Kivi Kvhki c×wZ¸ţj v e'vL'v
Kţi‡Q| Swki †¶Î ţjv nţjv t

- 1. Fb S**m**K
- 2. m¤ú` l `vq/ e¨v‡j Ý kxU S**n**K
- 3. %et`wkK wewbgg SwK
- 4. Af šɨx wbas I wbag cwi cvj b ms μνš-Suk
- 5. gwb j Ûwis S**w**K

SMK‡K me@bæ ch@tq ti‡L Ges †kqvi‡nvìvi I AvgvbZKvix‡`i $^{\circ}$ _ $^{\circ}$ msi¶Y I m‡e@P gþvdv cðv‡bi Rb $^{\circ}$ e $^{\circ}$ vsK Gwkqvq me $^{\circ}$ v GKwU fvimvg $^{\circ}$ C $^{\circ}$ V $^{\circ}$ e $^{\circ}$ e $^{\circ}$ Vcbvi c $^{\circ}$ Póvq i‡q‡0| e $^{\circ}$ vs‡Ki SmK e $^{\circ}$ e $^{\circ}$ Vcbv gRe $^{\circ}$ Z Kivi j‡¶ $^{\circ}$ e $^{\circ}$ vsK Dc‡i D‡jwLZ cvPwU c $^{\circ}$ Avb SmKi c $^{\circ}$ Z we‡kI $_{\circ}$ i $^{\circ}$ Z $_{\circ}$ i c $^{\circ}$ Vvb K‡i K‡c@tiU Awcd‡m c $_{\infty}$ K c $_{\infty}$ K KwgwU MVb Kiv n‡q‡0| G KwgwUi j $^{\circ}$ ¶ $^{\circ}$ J‡v n‡jv e $^{\circ}$ vs‡Ki SmK wbqš $^{\circ}$ Y bwwZmgn c $^{\circ}$ Yqb I ev $^{\circ}$ evqb| e $^{\circ}$ vsK Gwkqv KZ $^{\circ}$ X GB mKj SmK wbqš $^{\circ}$ b MnxZ c $^{\circ}$ ‡¶cmgn wb‡æ ms‡¶‡c ewYZ n‡jv t

1. Fb SmK

Fb Snk Ggb GKnU Snk hv FbMbnxZvi h_vmgtq e`vstKi `vqcitYi Amg_ZvtK tevSvtbv nq| e`vstK Fb Snk GKnU nbZ` welq hvi nbqš\/\ L\mbas _i`"Z\mbas _Y^\mbas _e\mbas _i\text{FbMbnxZvi gta} e`\mbas ^3 \text{\$

FY Synk‡k wPwýZ, cwigvc I wbqš χ Kivi gva"‡g FY †cvU\$dvwj I Gi gvb Dbqb Ges cKZ ¶wZi cwigvY Kgv‡bvi j‡¶" Fb Synk e e^-v cbv c e^-v qb Kiv n‡q‡Q Ges Zv wbqwgZfv‡e cwiewZ e^- I cwigwR e^- Z n‡"Q| FY Synk c e^- kg‡bi j‡¶" e e^- vs‡k FY ms μ v e^- Kv‡R wb‡qwRZ wewfbekg e^- X e^- i `wwqZ e^- Avj e^- v fv‡e mybw` e^- 6 K‡i †`qv n‡q‡Q| K‡cv e^- i Q Mon‡Ki mv e^- Kvh e^- ki kef e^- Wh †Lvj v n‡q‡Q hv‡`i KvR n‡"Q Mon‡Ki mv e^- Kvh e^- Ki BZ"wv | FY wefv‡Mi Rb" wZbyU c $_-$ K kvLv †Lvj v n‡q‡Q| G $_-$ ‡j v n‡j v, i) FY Synk e $_-$ e $_-$ Vcbv kvLv ii) FY c e^- kvmb kvLv Ges iii) FY ch $_-$ e $_-$ ¶Y I Av`vq kvLv|

Our endeavor in identifying, measuring, monitoring and controlling credit risk for each borrower and also at the portfolio level is fully guided by the principle of credit risk management. Disciplined processes are in place within the branches and the Corporate Office to ensure prompt identification, accurate assessment, proper approval and consistent monitoring and reporting of credit risk. We manage, limit, and control concentrations of credit risk wherever we identify them. Our recent focus on retail credit is a step towards minimizing our concentration risk.

2. Asset and Liability/ Balance Sheet Risk

Asset Liability Management (ALM) is an integral part of bank management. It is essential to have a structured and systematic process for managing the balance sheet. According to the guidelines of the Central Bank, banks must have a committee comprising of their senior management to make important decisions related to their balance sheets. Efficient management of both on and off balance sheet activities of the Banks by maintaining required liquidity position leads to maximum profit, keeping the soundness of the banks intact.

Bank Asia's Asset Liability Committee (ALCO) routinely meets to monitor the liquidity position, the maturity structure of assets and liabilities and the pricing strategy of deposit and lending of the Bank, in order to manage the balance sheet risk better. The ALCO is also entrusted with the responsibility of ensuring sufficient liquidity at all times to meet its obligations when these become due without compromising the earning potential of the funds. In the year 2008, the Bank successfully maintained required liquidity along with earning good profit and building sound assets base.

3. Foreign Exchange Risk

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. Managing foreign exchange risk is a fundamental component in the safe and sound management of all institutions that have exposures in foreign currencies. It involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the institution. The frequency and direction of rate changes, the extent of the foreign currency exposure and the ability of counterparts to honour their obligations to the institution are significant factors in foreign exchange risk management.

The Treasury Department of the Bank where foreign exchange risk arises has been structured by operationally and physically segregated front office and back office. The front office carries out the deals while the back office makes the lodgment of the transaction into the book of record. This is done with the view to double checking

cůZ K FYMĎxZvi I mgwóMZ F‡bi Syk wPwýZKiY, cwigvcKiY, chfe¶Y Ges wbqšţYi †¶‡Î Avgiv FY Sykee e vcbvi bwwZmgn AbyniY Kţi _wk| kvLv chftq Ges KtcftiU Awdţm F‡Yi Sykmgn `*Z wPwýZKiY, mpô cwigvc, h_vh_ Abţgv`b Ges wbweo chfe¶Y myk;Lj c×wZ Abynvţi cwiPwyj Z nq | FY Syk wPwýZ nl qv gvÎB Avgiv Zvi †K>`tqZv wbqšţY I mxgve× ivL‡Z `*Z e e v MbY Kwi | Lpiv F‡Yi cůZ Avgvţ`i AwaKZi g‡bv‡hvM gj Z F‡Yi †K>`tqKiY Sykckg‡bi w`‡K AviI GKwU avc|

2. m¤ú` I `vq S**u**K

e'vsk e'e'vcbvi GKwU Awe‡"Q` "Ask n‡"Q Gi m¤ú` I `vţqi mpô e'e'vcbv| DØËcţÎ i m¤ú` I `vqmgn mpô e'e'vcbvi Rb" coqvRb GKwU mpk*,Lj I avivewnK c×wZi Abyniy| †K>`iq e'vstKi bwwZgvj v Abynvqx e'vsk¸ ţj vi DØËcî msµvš-th‡Kvb i'"ZcY¶m×vš-tbqvi Rb" e'vstKi DaŸZb KgRZP`i mgštq GKwU KwgwU _vkv eva "Zvgj K| coqvRbxq Zvij "Ae'v eRvq tiţL e'vstKi w'wZcţî i Ašf® I ewnFZ `dvmg‡ni KvhRi e'e'vcbv e'vstKi wbivcëv covtbi cvkvcwk mtevP gjbvdv ARĐ wbwōZ Kţi |

w w z c i m s u v š - S w k i m w k e e u c b v i R b e u v š k i m u ú i v q k w g w u (ALCO) w b q w g z m f v q w g w j z n q Ges e u v š k i z v i † j i Ae u, m u ú i v v q i † g q v k k v v t q v t k š k j m s u v š - c w i K í b v c v q b K t i | GB K w g w u † K š k j m s u v š - c w i K í b v c v q b K t i | GB K w g w u † k š k i c h m z v i j u b w o z k v i i c v k v c w k e u v š k i g p v c v a R b i v q c w i t k v t a i v w q z i † v q n t q t 0 | 2008 m v t j e u s k G w k q v c v q v q z v i j u a t i t i t L K w L z g p v d v A R b i c v k v c w k m u ú t i m y g w f w ž w b g m q q q q

3. ^et`wkK wewbgq SwK

%et`wkK gy`ði wewbgq nvtii cwieZ \P bi dtj tKvb cðZôvb th m¤¢e "¶wZi m¤ \S Lxb nq ZvB ^et`wkK wewbgq SyK| th mKj cðZôvb ^et`wkK gy`ði tjbt`tbi mvt_ RwoZ Zvt`i Rb ^et`wkK wewbgq SyK e'e vcbvi mdj I wbivc` ev evqb AZ"š-Ri"ix| GB DtÏk"tK mvgtb titL cðZôvtbi ^et`wkK gy`ði Ae vtbi KvitY wewbgq nvti weifc cwieZ \P bi dtj hvtZ cðZôvtbi Aw_{K} Ae vi ¶wZ bv nq, Zvi ev evqb Kiv nq| ^et`wkK wewbgq SyK e'e vcbvi _i"ZcY \P w`K_tjv ntjv ^et`wkK gy`ð wewbgq nvi ZviZtg'i MwZ I w`K, cðZôvtbi tgvU ^et`wkK gy`ði Ae vb Ges `vq cwitkvaKvixi ¶gZv|

turvix wefvMtK thLvtb ^et`wkK gy`n wewbgq msµvš-SyK mywo nq, cwiPvjbvMZ I KvVvtgvMZ w`K t_tK OdxU AwdmŌ I Oe¨vK AwdmŌ wntmte fvM Kiv ntqtQ| dxU Awdm Pusi Kvrstjv m¤úv`b Kti Avi e¨vK Awdm tiKW© e¢k Pusi tjbt`tbi djvdj wjwce× Kti|tjbt`tbi ^0Z wbix¶v Ges ^^QZv I wbf\$PZv wbwŏZ

of every transaction and ensuring transparency and accuracy. The department has also been equipped with better human and technical resources following the central bank guidelines.

4. Internal Control and Compliance Risk

Since banking business deals with risk, the presence of effective internal control system, corporate governance, transparency and accountability is vital to ensure smooth operation of the Bank. Internal Control and Compliance Risk is defined as risk of unexpected losses happening due to inadequate internal processes, human errors, fraud and forgeries, and technology failure.

Under active guidance and governance of the Audit committee of the Board, an Internal Control and Compliance Department (ICCD) has been put into place to ensure controls at every operational level of the Bank. For identifying and correcting operational lapses, a comprehensive Audit Manual and an Internal Control and Compliance Manual duly approved by the Board of Directors have been circulated to the branches for meticulous compliance. A Management Committee (MANCOM) routinely reviews the overall effectiveness of the Bank's internal control system. In the year 2008, the Bank adopted a risk-based internal audit system for all the branches.

5. Money Laundering Risk

Money Laundering Risk can be defined as the violation of regulations and being negligent in the prevention of money laundering; for Prevention of which Money Laundering Act 2002 (Act No. 7 of 2002) has been enacted in Bangladesh. In order to combat money laundering risk, Bangladesh Bank preached the awareness of money laundering issues across the country, especially the rural areas, and selected some Banks for certain areas for spreading the awareness.

An updated Anti Money Laundering Manual was prepared and distributed to all the branches of the Bank. Know Your Customer (KYC) and Transaction Profile (TP) of old customers have been updated at the branch level and all other regulations are being complied meticulously. The Bank is conducting training programs and regular workshops for developing awareness on anti-money laundering measures. In line with our objective towards prevention of money laundering, all the relevant departments are instructed to be vigilant, to prevent such activities. More manpower was trained during the year within the Bank to strengthen the compliance system, and Branch Compliance Officers were designated in all the branches. In addition, an audit on anti-money laundering compliances has been conducted in the branches. Transaction profiles of our customers are embedded into the Stellar (online Banking Software) which helps in preventing illegal transactions.

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BASEL-II Implementation

With the growing complexity of operations and product innovations, financial institutions have progressively become more exposed to a diverse set of risks. The risk menu continues to become larger with each passing day and with the developments in financial markets. These risks include credit risk to interest rate risk, liquidity risk, foreign currency risk, reputational risk, country risk and operational risk.

The Banking has become too complex to be addressed by the simplistic approach of Basel-I. Basel-II Accord aims to align banks' capital with their basic risk profiles. It is very elaborate and specific in terms of its coverage and details. It exploits effectively the new frontiers of risk management. It seeks to give impetus to the development of a sound risk management system which hopefully will promote a more efficient, equitable and prudent allocation of resources. Both internationally and within Bangladesh, the Implementation of Basel-II has gripped a lot of interest. Different efforts are underway within the country and across the globe to ensure an effective adoption of this new international regulatory and supervisory architecture.

Bangladesh Bank has already issued an action plan for implementing a new Capital Adequacy framework in line with Basel-II. According to the instruction of Bangladesh Bank, Bank Asia informed its preparedness to Bangladesh Bank and formed a Basel implementation Unit. According to the roadmap of Bangladesh Bank, Basel-II era has started since January 2009. Bank Asia has announced the following action plan to implement Basel-II:

- In order to build up the capacity of the Officials of the Bank related with BASEL-II implementation and risk management, they are continuously trained under various training programme.
- The management of the Bank has already formed a committee at each branch level.
- After getting final guidelines from Bangladesh Bank, the Bank will take preparation to nominate an ECAI (External Credit Assessment Institution)
- Parallel run of Basel-II with Basel-I will continue from January 01, 2009 to December 31, 2009.
- The Bank is attempting to develop a database for switching to IRBA (Internal Rating Based Approach) by 2012.

Corporate Governance

Corporate Governance is the system by which business companies are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the company (Board, managers, shareholders and other

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Since its founding, Bank Asia has actively and fully adhered to the principles of sound corporate governance. The Board of Directors plays a key role in corporate governance. It is their responsibility to endorse the organization's strategy, develop directional policy, appoint, supervise and remunerate senior executives and to ensure accountability of the organization to its owners and regulatory authorities. The maintenance of effective corporate governance remains a key priority of the Board of Bank Asia. In Bank Asia, corporate governance has developed over the years defining the division of responsibilities and establishing the mechanism for achieving accountability between the Board of Directors and the Management, while protecting the interests of depositors, the system takes into account the impact of management and business processes on the creditors, employees, customers and the community in which the Bank functions.

Board of Directors

The Board of Directors of the Bank has the responsibility for determining the company's values, vision, mission, and objectives and directing the Bank towards its medium and long term strategic goals. The Board also ensures following the institution's risk management principles and building up risk management capacity in the light of the guidelines of the regulatory authorities.

The Board approves the annual business plan and regularly reviews the management performance and ensures that the regulatory guidelines are honored at all times. The Board is keen to make sure that all employees at all levels are well informed about the policy guidelines of the Board, and are involved in all new initiatives taken by the Management.

The Board of Bank Asia comprises of 12 Directors who possess a wide range of skills and experiences over a range of professions. Except the Independent Director all the Directors are Elected Directors. The meetings of the Board of Directors are held frequently to discharge its responsibilities and functions. Meetings are scheduled well in advance and the notice of each Board meeting is given in writing to each Director by the Company Secretary. The Company Secretary prepares the detailed agenda for the meeting with the concurrence of the Managing Director. The papers comprising the agenda, explanatory notes and proposed resolutions are circulated to the Directors in advance for their review. The members of the Board are also free to recommend inclusion of any item in the

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agenda for discussions. Company Secretary and Chief Financial Officer always attend the Board Meetings and other senior management staffs are also invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and to make business presentation. During the year 2008, the Board met 21 times and attendance by the Directors was as follows:

Position of the Chairman of the Board of Directors and the Chief Executive

From the inception, our objective has been to successfully establish good corporate governance in the organization. For this purpose, the functional responsibilities of the Chairman of the Board, Board Members, and of the

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SI	Name	Times Attended	Remarks
1	Mr. Anisur Rahman Sinha	13 out of 14	Joined the committee on 01.06.2008
2	Mr. Anwarul Amin	12 out of 13	Joined the committee on 19.06.2008
3	Mr. A M Nurul Islam	3 out of 3	Joined the committee on 17.12.2008
4	Mr. M. Mustafizur Rahman (Alternate Director to Mohammed Irfan Syed)	12 out of 13	Joined the committee on 19.06.2008
5	Mr. Romo Rouf Chowdhury	6 out of 14	Joined the committee on 01.06.2008
6	Ms. Farhana Haq Chowdhury	14 out of 21	
7	Ms. Shameem Choudhury	7 out of 21	
8	Mr. Shafique Uddin	7 out of 21	
9	Mr. Murshed Sultan Chowdhury	Nil	
10	Mir Shahjahan	6 out of 21	
11	Mr. Faisal Samad (Alternate Director to Ms. Mahrina Chowdhury)	3 out of 8	Joined the committee on 24 .07.2008
12	Lt. Col. (Retd.) Fariduddin Ahmed	5 out of 21	
13	Mr. M. Syeduzzaman	7 out of 7	Resigned in 9th AGM
14	Mr. A. Rouf Chowdhury	7 out of 7	Resigned in 9th AGM
15	Mr. Arifur Rahaman Sinha	5 out of 7	Resigned in 9th AGM

President and Managing Director are kept separate and independent of each other. The Chairman of the Board of Directors is responsible for the functioning of the Board while the Managing Director is responsible for implementation of Board approved policies, and overall management of the Bank.

Conforming to Capital Market Rules

Bank Asia strictly follows the rules, regulations and guidelines set by the Securities & Exchange Commission (SEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since its listing in both the bourses of the country.

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Shareholding Structure

At the end of year 2008, the Shareholding Structure of Bank Asia Limited was as follows:

Description	No. of Shares	No. of Shareholders	% of total Shares
Public Shareholders	13,943,377	7,965	79.96
Institutions	2,933,351	264	16.82
Non Resident Bangladeshi	278,450	20	1.60
Foreign Investors	56,387	1	0.32
Investment Companies	225,935	68	1.30
Total	17,437,500	8,318	100.00

Pattern of Shareholdings

Breakup of shareholding pattern as per clause 1.4 (KA) of Securities & Exchange Commission notification no SEC/CMRRCD/2006-158/ Admin/02-08 dated 20th February, 2006 issued under Section 2CC of the Securities & Exchange Ordinance, 1969, is as follows:

- i) Parent/Subsidiary/Associated companies and other related parties (name wise details): Not Applicable
- Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise Details):

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SI	Name of the Directors	No. of Shares As on 31.12.2008
1	Mr. Anisur Rahman Sinha and his spouse	771,885
2	Mr. Anwarul Amin	86
3	Mr. A M Nurul Islam (Nominated by Sea Fishers Ltd.)	32,840
4	Mr. Mohammed Irfan Syed	25,000
5	Mr. Romo Rouf Chowdhury and his spouse	762,189
6	Mrs. Farhana Haq Chowdhury and her spouse	762,189
7	Ms. Shameem Choudhury (Representing Phulbari Tea Estates Ltd.)	723,645
8	Mr. Shafique Uddin	741,331
9	Mr. Murshed Sultan Chowdhury	674,576
10	Mir Shahjahan	359,250
11	Ms. Mahrina Chowdhury	360,820
12	Lt. Col. (Retd.) Fariduddin Ahmed	72,656

iii) Executives:

SI	Name of the Executives	No. of Shares
1	Chief Executive Officer's Spouse	3,125
2	Mr. Erfanuddin Ahmed	1,265
3	Mr. S. M. Khorshed Alam's spouse	1,733
4	Mr. Irteza Reza Chowdhury's spouse	5,515
5	Mr. Nasirul Hossain and his spouse	2,466
6	Mr. A. H. J. Rahman's spouse	2,906
7	Mr. Swapan Das Gupta's spouse	4,358

iv) Shareholders holding ten percent (10%) or more voting interest in the company: Nii

Auditors

Previous Auditor of the Bank M/s S. F. Ahmed & Co. Chartered Accountants retired in the 9th Annual General Meeting and was not eligible for reappointment as per stipulation of Bangladesh Bank circular vide BRPD Circular No. – 12, dated July 11, 2001. The appointment and remuneration of new auditor of the Bank, Rahman Rahman Huq, Chartered Accountants, was approved and fixed for the year 2008 by the honorable shareholders in the 9th Annual General Meeting.

Board Audit Committee

The Board of Bank Asia constituted an Audit Committee in January 2003 with the objectives of generating a platform for a competent, practical, complied and secured banking structure. The Committee takes up responsibilities to manage and control various risk factors coming up from banking operation, to strengthen the internal control system and to act as a connecting force between internal and external auditors in order to bring a disciplined banking operation.

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eʻvsK Gwkqvi cwiPvjbv cl® 2003 mv‡ji Rvbyqvix gv‡m eʻvs‡Ki Rbʻʻ GKwU`¶, ev⁻eev`x, cwicwjZ I wbivc` wfwË wbwðZ Kivi j‡¶ʻʻ GKwU wbix¶v KwgwU MVb K‡i | G KwgwU eʻvsK cwiPvjbv†_‡K D™Z wewfbœSynKi wbqš½ I eʻe⁻vcbvi `wwqZ¡MöhYmn GKwU myk;Lj eʻvswKs cwiPvjbvi Rbʻʻ eʻvs‡Ki Afʻʻš∔xY wbqš½ eʻe⁻v‡K kw³kvjx K‡i Ges Avšŧ I ewnt



Meeting of the Board Audit Committee

The Committee reviews the financial reporting process, the system of internal control and management, the audit process, compliance with laws and regulations, and its own code of business conduct.

Composition of Audit Committee

The Audit Committee was constituted as per the BRPD circular no. 12 dated 23 December 2002 and subsequently it was reconstituted from time to time by the Board. The last reconstitution was made in the Board meeting held on 21.12.2008.

The current members of the Audit Committee are:

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wbix¶v KwgwU wbqwgZfvte e"vstKi Awv_K weeiYx, Af"š+xY wbqšyY I e"e"vcbv, wbix¶v c×wZ, wbR"^e"emwwqK bwwZ Ges wbqšyYKvix AvBb I bwwZmg‡ni cwicvjb ch®tjvPbv Ktib|

wbix¶v KwgwUi MVb

evsjyt`k e`vsK KZfK RvixKZ weAviwcwW mvKjj Fl bs-12, ZwwiL 23/12/2002 Abjnvqx MZ 18/01/2003 mvtj c $\underline{\hat{c}}$ g tewW°wbix¶v KwgwU msMwVZ nq ev avivewmKfvte cjbMfWZ ntq Pj tQ| e`vsK cwiPvj bv cl° me\$kl MZ 21/12/2008Bs ZwwitL AbyrôZ mfvq wbix¶v KwgwU cjbMfVb Ktib| eZgyb

SI. No.	Name	Status with the Committee	Status with the Bank	Educational Qualification & Experience
1	Mr. A M Nurul Islam	Chairman	Vice Chairman & Director	BA (Hons), MA. An erstwhile CSP officer and diplomat with extensive experience in international development and financial issues. Former Director and Chairman of the Audit Committee of National Bank.
2	Mr. Anwarul Amin	Member	Vice Chairman & Director	Graduate (Westminster Institute of Banking, UK). A very senior and respected banker of the country, he was General Manager of BCCI (China & Japan), Bangladesh Shilpa Bank and Deputy Managing Director of Uttara Bank.
3	Mr. Murshed Sultan Chowdhury	Member	Director	MBA (Southern Illions University, USA). Extensive exposure in international finance and accounts in renowned multinational organizations in USA.

The Company Secretary also acts as the Secretary of the Audit Committee of the Board.

The Audit Committee holds meetings at least once every three months to scrutinize matters as assigned by the Board of Directors. The Audit Committee held 4 (Four) meetings in 2008 on the following dates:

- i. 32nd meeting held on 19th February, 2008.
- ii. 33rd meeting held on 20th March, 2008
- iii. 34th meeting held on 5th May, 2008
- iv. 35th meeting held on 11th August, 2008

The Audit Committee has the duty to report its performance to the Board of Directors. During the year 2008, the following issues were considered by the Audit Committee:-

- Audit and Inspection Reports of the Branches and of the Departments of Corporate Office conducted by Internal Control and Compliance Department of the Bank.
- 2. External Audit reports of the Bank and the recommendations made there under.
- 3. Improvement in the quality of different banking services along with increase in the number of branches and staff.
- 4. Training and development of human resources for performance improvement.
- Submission of comparative statement of classified loans and advances to measure a true picture on the quality of assets, i.e. health of the Bank.

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- i. 32 Zg mfv, 19 †k †deÖqvix, 2008|
- ii. 33 Zq mfv, 20 tk qvP° 2008
- III. 34 Zq mfv, 5 B tq, 2008 |
- iv. 35 Zg mfv, 11 B AvMó, 2008

- e "vs‡Ki Af" šɨxY wbqš¾ I cwi cvj b we fwM KZ® e "vs‡Ki kvLvmgn I K‡cvñIU Awd‡mi wewfbœwe fv‡M cwi Pwnj Z wbix¶v I cwi`k® cnZţe`b|
- 2. e"vstKi ewnt wbix¶K KZK cÖZKZ wbix¶v cÖZte`b ch@jvPbv I Gi Dci gše"|
- 3. kvLv I KgRZPI msL"v ew×i cvkvcvuk †mevi gv‡bvb**g**b|
- 4. c@k¶‡Yi gva"‡g gvbem¤ú‡`i `¶Zv ey× I Db**q**b|
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- Formation of Task Force for recovering of classified/ bad loans of the Bank.
- 7. Implementation of time to time guidelines/ instructions given by the Credit Department and Audit Department to ensure effective internal control and compliance.
- 8. Reconstitution of the Audit Committee.

The Audit Committee further satisfies itself that:

- Activities of Task Force to deal with the cases of classified accounts including progress of recovery of dues from classified accounts are regularly carried out.
- 2. The Bank's system of internal control and its processes are in place towards creation of a compliance culture in the Bank:
- 3. The summary of the audit reports along with the preface has been forwarded to the members of the Audit Committee.
- 4. The irregularities/ lapses as reported by the external auditors had been addressed and necessary actions to prevent the recurrence of the lapses have been taken.
- Most of the branches are performing well and in accordance with rules and regulations of Bangladesh Bank and Bank's own policy guidelines approved by the Board of Directors.
- 6. Different action plans were undertaken for addressing and rectifying the lapses of the branches.
- Submission of periodical comparative statement of classified loans and advances by the internal audit team is continuing which gives a true picture of the Bank.
- 8. The assets of the Bank are safeguarded and the creation of liabilities and commitments are made transparent.
- 9. The financial statements of the Bank are prepared in accordance with International Accounting Standard as adopted in Bangladesh and contain full disclosure.

Credit Rating

In an effort to keep the existing and potential investors in the financial sector fully informed, and to improve the functioning of the capital market of the country, Bangladesh Bank has made credit rating for Banks mandatory effective from January 2006. Taking this into consideration, Bank Asia appointed *CRAB* (*Credit Rating Agency of Bangladesh*) for rating of the Bank. Bank Asia has been rated as AA-2 in the long term and ST-1 in the short term respectively for the year 2007. AA-2 indicates strong capacity for timely payment of financial commitments, with low likeness to be adversely

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G QvovI wbix¶v KwgwU thme weItq mšwói mvt_ wbwðZ ntqtQb tm_tj v ntj vt

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- 2. GKwU cwicvj b ms¯wZi myoʻl Zv eRvq ivLvi Rb¨e¨vs‡Ki Af¨šixY wbqšyll cwicvj b c×wZ h_vh_fv‡e i‡q‡Q|
- fwgKvmn wbix¶v cůZţe`ţbi mvimsţ¶c wbix¶v KwgwUi m`m'ţ`i wbKU ţckKiv nţqţQ|
- 4. ewnt wbix¶K KZK wPwýZ Am½wZ mg‡ni mgvavb I fwel"‡ZiRb" cůZ‡ivagjK e"e¯vMönY|
- 5. côq me j tj v kvLv evsj v t`k e "vstKi Rvi x KZ bxwZmgn I e "vstKi cwi Pvj bv cl® KZK Ab tgwv Z wb R ^ bxwZmgn mwVKfvte Abyni Y Kti my`i fvte cwi Pvwj Z n t"Q |
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- 7. Af`šixY wbix¶K `j KZK GKwU wbw`6 mgq Ašitk®xKZ FY I AMûtgi Zji bvgji K cûZţe`b †ckKiv n‡"0 hv e "vs‡Ki GKwU mwVK wPî Zţj a‡i |
- e vstKi m m ú m m m l m Z i t q t Q Ges Gi vq I wb ð q Zv c v b m s µ v š Z ve j x 2 l
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affected by foreseeable events in the long run, ST-1 indicates excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds in the short term. Besides, CRAB will provide regular surveillance service for the Bank. A complete rating review and detailed report would be given every year after completion of the Annual Financial Report. If there is any change in the rating awarded earlier, CRAB will provide a surveillance report indicating the rationale for change in the rating. At present CRAB is working on credit rating for the year 2008.

Corporate Social Responsibility

Bank Asia, from the very beginning, recognized the need to develop and promote CSR as a part of its culture, identity and business practice. Being socially responsible means not only fulfilling legal obligations but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders.

The basic driver of CSR consists of values that have taken place within businesses where they not only feel responsible for creation of wealth but also for social and environmental well being. We are decidedly committed to being an equal opportunity employer, protecting the environment, and finally, serving the community of which we are a part. We strive to achieve further development of balanced corporate performance in the economic, social and

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K‡cv₽i U mvgwRK `vqe×Zv

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Donation to Islamia Eye Hospital

ecological arena. The employees are encouraged to be responsible corporate citizens and to conduct business in a manner that promotes sustainable development for both the Bank and the community msi¶tYi ciPóvq I mvs¯vvZK cwigÛtj KtcvfiU KgfvtÛi myg weKvk NUvtbvi jt¶" e"vsK Gwkqv wbiši tPóv Pwjtq hvt"Q| Gmtei cvkvcwk e"vsK Gwkqv ciZôvtb Kg°Z mKjtK `wqZkxj KtcvfiU bvMwiK nIqvi Rb" DrmwnZ KitQ, hvtZ it serves. A summary of the CSR activities of the year 2008 of Bank Asia is presented below:

1. Education

An educated nation can build a civilized society. Recognizing the importance of education in nation and society building, Bank Asia has initiated an ambitious plan titled "Bank Asia Higher Studies Scholarship" to provide assistance to those students who have merit and dream in their eyes to serve the society, but not the means to pursue higher studies. Under the scheme, the Bank awards poor but meritorious students of rural areas where the Bank has its branches for their higher studies in core subjects, namely Engineering, Medicine, Physics, Chemistry, Business, Economics, Management, Finance, Banking, etc. The scholarships are given basing on the SSC and HSC exam results and the

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1. wk¶vi Avtj v QovtZ Avgvt` i Ae`vb

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Bank Asia higher studies scholarship program

duration of the scholarship is generally 4 to 5 years. But it may be extended depending on the course duration. Under the program, students receive Tk. 2,000.00 per month. Besides, a lump sum grant of Tk. 10,000.00 is given annually to purchase books and for payment of tuition fees. This scheme was introduced in 2005 and till 2007 thirty students have received the scholarships who are studying in different premier educational institutions of the country. For the year 2008, a total of 50 (fifty) students have been awarded this scholarship and presently a grand total of 80 (eighty) students are enjoying benefit of this scheme.

e e vcbv, wdb vý, tgwWtKj I Bwäwbqwwis BZ w i zcYe weltq D"Pwk¶v Mồn KitQ G e w cũ vb Kiv nq gj Zt Gm.Gm.wm. I GBP.Gm.wm. cix¶vi djvdtji Dci wfw Kti, hvi e wßKvj 4 † t 5 eQi | G Kgmm i AvIZvq cũZwU wk¶v_m 2,000.00 UvKv Ges eQti eB µq I wUDkb wd eve` GKKvjxb 10,000.00 UvKv cũ vb Kiv nq 2005 mvtj Pvjy nIqv e vsK Gwkqv D"Pwk¶v e c c ktí i AvIZvq 2008 wk¶vetI® tgvU 50 Rb tgavex wk¶v_x K D"Pwk¶v e c c vb Kiv ntqtQ | e z vb tgvU 80 Rb wk¶v_x G e w myeav mnvqZvq t thi wewfbœ bvgKiv D"Pwk¶v c c c c vb Aa qbiZ itqtQ |

2. Health Care

a) Free Ophthalmologic Operations

In the year 2005, Bank Asia started a program in collaboration with Bangladesh Eye Hospital (BEH) to help the handicapped and the underprivileged by providing necessary financial support for performing ophthalmologic operation of all born blind children of Bangladesh. The trained doctors of BEH conduct the operations in their modern hospital equipped with latest equipments and technology at Dhanmondi. So far, a total of 929 children have been operated. A year wise break up of the benefited children and bank's contribution is given below:

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K) AÜR‡b †`n Av‡j v

Year	No. of Children	Cost borne by Bank (in million)
2006 (Starting from Oct' 2005)	157	Tk. 1.37
2007	343	Tk. 2.64
2008	429	Tk. 1.71
Total:	929	Tk. 5.71

b) Free Eye Camps

In addition to the ophthalmological operations, the Bank arranges free Eye Camps in the rural areas where free treatments including spectacles are provided to a large number of school going poor boys and girls and other people of the localities concerned.

L) webvg‡j " P¶zvkwei

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Donation for BDR Victims

c) Donations to Hospitals

The Bank has donated an amount of Tk. 2.00 million to Islamia Eye Hospital (IEH) for the construction of a children ward at the hospital premises. Furthermore, at our persuasion, the Muslim Commercial Bank of Pakistan donated an amount of Tk. 2.00 million to IEH for the same purpose. The Bank has donated an amount of Tk. 1.5 million for purchasing of an ambulance for a hospital run by Bir Shreshta Matiur Rahman Foundation. Besides, we have financially supported Center for Rehabilitation of the Paralyzed (CRP), Savar and Thengamara Mohila Sobuj Shangha (TMSS) for their hospital at Bogra and also to Acid Survivors Foundation.

M) nymcyZyti Abỳ vb

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One Student One Laptop project

d) Blood Donation Camps

The Bank also arranges voluntary blood donation campaign on various national occasions where the officers of the Bank and general people participated spontaneously.

3. Information Technology

Computer literacy is essential to our growth and development and it needs to be spread to our rural areas. The Bank works with a philosophy to help poor students in rural areas by establishing and operating Computer Learning Centers (CLC) in different schools in providing a technological platform for students, which will help in their endeavors to a brighter future. We have taken this initiative to contribute to the promising IT sector of the country. Already 13 CLCs have been established in different rural schools and are in full operation. About 1,000 students have been enrolled so far in these CLCs out of which 900 students have already obtained certificates. Bank Asia is going to setup another 15 CLCs from where more than 3,000 students are expected to receive education in computer technology every year.

4. Agricultural Growth & Poverty Mitigation

Considering the importance of the rural economy in the economic development of the country, agricultural finance occupies a special position in the lending activities of the Bank. In order to provide support to the poor farmers of Bangladesh who play a crucial role in the development of the country, the Bank disburses agricultural loans mainly through its rural branches. Concurrently, credit lines are also extended to different NGOs to support our initiatives for agricultural development and alleviation of poverty in the rural areas.

Poverty alleviation is another area where the Bank has laid emphasis from the very beginning. To fulfill the purpose, the Bank has introduced schemes namely "Palli Shawnirvor" and "Kormoshangsthan Prokolpo" under which micro finance is channeled to the target groups through our rural branches. So far, the Bank has extended loans in these sectors amounting to Tk. 460.67 million up to September 30, 2008 through NGOs and rural branches. About 20,000

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Kwl Dbqtbi cvkvcwk `wi`a wetgvPb KvhPugl e`vsK Gwkqvi A_Pqtbi GKwU Ab`Zg LvZ, thLvtb e`vsK i'i'' t_tKB KvR Kti hvt"Q G j t¶ e`vsK Gwkqv 0cj x-fbfP0 I 0KgMs-vb coKí 0 bvtg ag Pvj y KtitQ G KgMyPi AvIZvq MôgxY kvLv_tj vi gva tg comšK ¶ìa FY covb Kiv nt"Q wewfbæ GbwRI Ges MôgxY kvLv_tj vi gva tg H LvtZ tmtP α 1 2008 ch α 5-tgvU 46.07 tKwU



Observation of International Mother Language Day '08

poor rural families including the farmers in the countryside have been benefited.

SME Activities

For generation of self employment and overall development of the country, the importance of Small and Medium Enterprises (SME) can hardly be over- emphasized. Bank Asia started its structured SME banking from June 2007. In this venture, the Bank has diversified its credit portfolio throughout the country within a short span of time by setting separate units for SME and invested a considerable amount in this sector. The Bank has disbursed Tk. 155.80 million for SME financing and the program is being expanded rapidly.

6. Natural Calamities

As a responsible corporate citizen, Bank Asia believes that it is committed to the welfare of the community at large. Whenever there is any natural calamity, the Bank responds promptly to aid the affected humanity. In November 2007, the severe cyclonic storm SIDR had devastated a large part of south - eastern belt of the country and though within its limited resources, the Bank did its best to provide relief to the distressed people. The Bank donated Tk. 5.0 million each to the Chief Advisor's Relief Fund and Army Chief's Relief Fund for the SIDR affected people. Besides, the employees of the Bank donated their one-day salary to the relief fund of the Bank. The Bank distributed relief materials of Tk. 1.18 million from its relief fund among 500 victims at Shoronkhola (Bagherhat), the worst SIDR affected area of the country. We would like to declare our pledge that Bank Asia is always ready to stand by the poor disaster affected people of the country.

7. Dhaka City Beautification

Dhaka City Corporation has a project named "Beautification of Dhaka Metropolitan City" and Bank Asia has a spontaneous participation in this program. Under the project, the Bank has taken the responsibility of maintenance of 3.0 km long road island running between US Embassy at Natun Bazar, Kuril and Rail Gate, Bishaw Road, Khilkhet. The long island is planted and plastered with multi varieties of flower plants which has given the surrounding greenery, a cheering and attractive look with beneficial impact on the environment.



Contribution to sports

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8. Different Social and Cultural Programs

As a responsible corporate citizen, Bank Asia regularly arranges and participates in different social and cultural programs like celebration of Pohela Boishakh, International Mother Language Day, Independence Day, Victory Day, etc. Besides, Bank Asia also arranges Ifter Party and Doa Mahfill during holy Ramadan at different branches. People from different social levels participate there.

9. Environment

Bank Asia has been one of the pioneers in supporting environment friendly CNG projects by financing CNG conversion and CNG filling stations. The Bank has decided not to finance any tobacco related business or any environmentally hazardous business. Besides, all the offices of Bank Asia are declared as smoking free zone.

10. Financial Support for Deceased Employee's Family

It was a matter of great sorrow that Mr. Nurul Amin, a brilliant officer of the Bank and former manager of Tarail Branch expired on 12th February, 2009 while he was on duty. He left behind his wife, one son and a child yet to be born. His untimely death was a great tragedy to his near and dear ones. As part of its responsibility, the Bank has come forward to help the deceased's family members and it was decided that they would receive financial assistance of Tk. 20,000.00 per month for a period of 20 (twenty) years.

Last but Certainly Not the Least

Making financial gain is not our sole motto; rather, we believe in socially beneficial activities in order to link the society with the growth of our institution in a fair manner. Bank Asia is always exploring to find new avenues for its CSR activities. Doing business in an ethical and socially desirable manner has been a practice in Bank Asia since its inception. We are also committed to continuously strengthen our record in the area of corporate governance and delivering employee satisfaction.

We remain convinced that for the long term growth of our organization and the sustainability of the environment in which we operate, we need to look beyond financial figures. As a responsible corporate citizen and to extend support for a better society, we are tax abiding, protectionist of the environment, follower to all laws, norms, sentiments and values of our dear motherland. We also practice our business with high integrity and ethics.

Looking Ahead

Bank Asia has been a customer-focused organization and is constantly trying to add new line of business, products and services supported by latest technology network. We have created a sound platform in each area of product line for each of our customer segments namely, retail, SME,

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and corporate clients. In 2008, we acquired a brokerage membership from Dhaka Stock Exchange which is expected to start its operation shortly. This will add new line of business and cross sell our existing products. Our services backed up by real time on line banking software are capable of handling diverse and customized needs of our clients in all the business segments of the Bank.

As the international banking system wobbles, stock markets fluctuate and credit becomes scarce. The fear for importers is that their suppliers will not meet their commitments. Exporters, on the other hand, fear that their customers will not pay their bills. When compounding the issue of Banks' difficulty in issuing letters of credit, the standard medium of payment in international business, the outlook is uncertain for world trade. Asia, being the world's production hub, is therefore closely monitoring these issues. With globalization of financial markets, economies are becoming more uncertain and central banks are strengthening monitoring with new rules & regulations. All these factors are putting more challenges for the banking industry.

The world economy is now facing serious challenges as the IMF is projecting only 0.5% global growth for 2009. In order to cope up with such turbulent environment, to grip every opportunity arising, as well as to protect our bottom lines in difficult times, we are making every effort to strengthen our financial, technical and human resources base. Our every endeavor goes in developing our manpower with the necessary skills, making improvement in IT infrastructure, expanding the existing business base, and looking for new growth opportunities. The target of these activities is to add value to our shareholders' wealth, and to contribute to the growth of economic activities in the country.

Our Gratitude and Thanks

The performance of 2008 along with those of the previous years' are the result of the guidance of the Board Members, commitment of the Senior Management, hard work of all employees, continuous support of our valuable clients and confidence of the shareholders. We also express our gratitude to the Bangladesh Bank, the Securities and Exchange Commission, the Government, the professional bodies, and to other authorities for their continuous guidance, valuable suggestions and precious support.

On behalf of the Board of Directors.-

Shafique Uddin Director Avgiv XvKv ÷ K G. ‡PÄ-Gi teŴKvţiR m`m¨c` jvf KţiwQ Ges Gi gva¨ţa Avgiv Lye kxNB teŴKvţiR KvhPug ¨ii″ Ki‡Z hww"Q| Avgyt`i eZ®yb e¨emwwqK KvhPuţa GwU GKwU bZb msţhvRb, hvi Øviv Avgiv Avgyt`i eZ®yb cY¨l †mevi cônvi NUvţZ cvie| mKj †kÑvi MônţKi bvbvgyLx Pwwn`vi cɨţYi j‡¶¨ AbjvBb e¨vswKs mcUUq¨vţii gva¨ţa Avgiv Avgvţ`i meKwU kvLvţZ wbijm †mev cû vb KiwQ|

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Report on the activities of the Audit Committee



In accordance with the Bangladesh Bank's directives vide BRPD Circular No. # 12 dated December 23, 2002, the Board of Directors of Bank Asia Limited in its 44th meeting held on 18th January 2003 constituted the Audit Committee of the Bank comprising of three members of the Board of Directors for a period of 3(three) years. Dr. Md. Shafiuddin Chowdhury was the first chairman of the Audit Committee.

The Board of Directors in its 145th meetings held on the 21st December 2008 constituted the present Audit Committee comprising of the following members:

- Mr. A M Nurul Islam, Vice Chairman and Director
 Chairman of the Audit Committee
- 2. Mr. Anwarul Amin, Vice Chairman and Director
 - Member of the Audit Committee
- 3. Mr. Murshed Sultan Chowdhury, Director
 - Member of the Audit Committee

The company secretary acts as the secretary of the committee.

During the year 2008, the Audit Committee conducted 4 (four) meetings in which, among others, the following issues were reviewed and discussed:

- 1. External Audit reports of the Bank and the recommendations made there under;
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance there of;
- Audit and Inspection Reports of the branches and the Department of Corporate Office conducted by Internal Control & Compliance Department of the Bank;
- The deficiencies identified and the recommendations made by the Central Bank's Inspectors, External Auditors and the Bank's Internal Auditors in their reports, are addressed.

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cwiPvj bv cl♥ i 21 †k wW‡m¤↑, 2008 Zwwi‡Li 145Zg mfvq e"vs‡Ki eZ@vb AwWU KwgwU MVb Kivnq| eZ@vb KwgwUi m`m"ivn‡"0:

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- Rbve g‡k[®] mj Zvb †Pšaj x, cwi Pvj K - m`m", AwVU KuguU

tKv¤úvbx mwPetK KuguUi mwPe wntmte KvR Kivi `wq z_i t`qv nq

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- 4. †K>`ntq e"vs‡Ki cwi`ktk, ewntwbix¶K Ges e"vs‡Ki Af"š+xY wbix¶KMY KZtk DÌ wcZÎ"wU wePÿwZmgyn Ges Zvi cwicvjb|

The Audit Committee further satisfied itself that -

- 1. The rules and regulations of the Central Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors of the Bank have been complied with.
- 2. The Adequacy of the internal control & security measures undertaken by the Bank in facilitating Information Technology (IT) based/computerized banking including appropriate Management Information System (MIS).
- 3. The Bank's system of internal control and its processes are in place towards creation of a compliance culture in the Bank.
- 4. The Assets of the Bank are safeguarded and the creation of liabilities and commitments are made transparent.
- 5. The financial statements of the Bank are prepared in accordance with International Accounting Standard as adopted in Bangladesh and contained full disclosure.

Reporting

The observations and the recommendations of the Audit Committee were reported to the Board. The minutes of the Audit Committee meetings were circulated among the members of the committee and the Board of Directors of the Bank.

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- mw/K Af šɨxb wbix¶v e e v wbwðZKi‡Y we gvb KvhRi Sak e e vcbv
- 4. m¤ú‡`i wbi vcËv weavb, AvgvbZ msMb Ges A½xKvi cÖ v‡b -^QZv wbwðZKiY|
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A M Nurul Islam

Chairman

Audit Committee

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Compliance with SEC Notification on Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No SEC/CMRRCD/2006-158/ Admin/02-08 Dated February 20, 2006 issued under Section 2 CC of the Securities and Exchange Ordinance, 1969 regarding Corporate Governance is given below in pursuance of condition No 5.00 of the said notification:

Condition No.	Title	Compliance Status		Explanation for Non-compliance
		Complied	Non- complied	with the condition
1.00	BOARD OF DIRECTORS			
1.1	Board Size	√		
1.2 (i)	Appointment of Independent Directors	J		
1.2 (ii)	Independent Directors	√		
1.3	Chairman of the Board and Chief Executive	√		
1.4	The Directors' report to the Shareholders	J		
1.4 (a)	Fair presentation of the state of affairs	J		
1.4 (b)	Proper maintenance of books of accounts	J		
1.4 (c)	Application of proper accounting policies in preparation of financial statements	V		
1.4 (d)	Adherence to International Accounting Standards	√		
1.4 (e)	Sound internal control	J		
1.4 (f)	Ability to continue as a going concern	√		
1.4 (g)	Deviations from operation of the previous year	√		
1.4 (h)	Presentation of key operating and financial data of the last three years	J		
1.4 (i)	Declaration of dividend			N.A.
1.4 (j)	Number of board meeting held	1		
1.4 (k)	Pattern of shareholding	J		
2.00	CHIEF FINANCIAL OFFICER (CFO), HEAD OF I	NTERNA	L AUDIT A	AND COMPANY SECRETARY
2.1	Appointment of CFO, Head of internal audit and company secretary			The Bank does not have any position in the name of CFO but DMD (Operations) of Bank Asia virtually performs the function of the CFO.
2.2	Requirement of CFO and company secretary to attend Board Meeting	V		DMD Operations who oversees the function of CFO and the Company Secretary attends the Board meeting on regular basis.
3.00	AUDIT COMMITTEE			
3.1 (i)	Constitution of Audit Committee	J		
3.1 (ii)	Appointment of independent director in the audit committee	1		
3.1 (iii)	Vacancy in the audit committee	•		N.A.
3.2 (i)	Selection of Chairman of the Audit Committee	J		
3.2 (ii)	Qualification of the Chairman of the audit committee	J		
3.3	Reporting of the Audit Committee	J		
3.3.1 (i)	Reporting of the audit committee to the Board of Directors	1		
3.3.1 (i) (a)	Report on conflict of interest	1		
3.3.1 (i) (b)	Suspected fraud or irregularities	1		
3.3.1 (i) (c)	Suspected infringement of laws	1		
	Any other matter	1		
3.3.2	Reporting to the SEC by the audit committee	,		N.A.
3.4	Reporting to the shareholders and general investors	V		
4.00	EXTERNAL / STATUTORY AUDITORS			
4.00 (i)	Appraisal or valuation services of fairness options	√		
4.00 (ii)	Financial information systems design and implementation	1		
4.00 (iii)	Book keeping or other services related to the accounting records or financial statements	V		
4.00 (iv)	Broker – Dealer services	V		
4.00 (v)	Actuarial services	1		
4.00 (vi)	Internal audit services	1		
4.00 (vii)	Any other services that the audit committee determines	,/		

PHOTO GALLERY



Shantinagar Branch Opening



Tongi Branch Opening



Bogra Branch Opening



Jessore Branch Opening



Bahadderhat Branch Opening



Opening of BDR Booth, Pilkhana



Kiosk Opening at North South Road Branch



Inaugoration of Rain Shed at Chittagong EPZ

PHOTO GALLERY



Farewell to out going Chairman Mr. M. Syeduzzaman

Reception to new Chairman

Mr. Anisur Rahman Sinha





Farewell to out going President & Managing Director, Mr. Syed Anisul Huq

Reception to new President & Managing Director

Mr. Erfanuddin Ahmed



Auditors' Report to the shareholders' of Bank Asia Limited

We have audited the accompanying balance sheet of Bank Asia Limited ("the Bank") as at 31 December 2008 and the related profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and explanatory notes to the financial statements. The preparation of these financial statements is the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of the Bank for the year ended 31 December 2007 were audited by S. F. Ahmed & Co., Chartered Accountants who issued an unqualified opinion on 23 March 2008.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as at 31 December 2008 and of the results of its operations and it's cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the Bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purposes of the Bank's business;
- the financial position of the Bank as at 31 December 2008 and the profit for the year then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- x) the information and explanations required by us have been received and found satisfactory.

Rahman Rahman Huq Chartered Accountants

Dhaka, 20 April 2009

Balance Sheet as at 31 December 2008

PROPERTY AND ASSETS		2008 Taka	2007 Taka
	Notes		(Restated)
Cash	4		
In hand (including foreign currencies)		279,733,998	219,714,704
Balance with Bangladesh Bank and its agent bank		0.000.075.405	4 000 040 004
(including foreign currencies)		2,688,675,135	1,990,819,634
Delege a with subscribe and Consorted in eliterity or	_	2,968,409,133	2,210,534,338
Balance with other banks and financial institutions	5	1,094,542,411	050 007 004
In Bangladesh Outside Bangladesh		310,301,087	853,807,924 278,656,222
Outside Barigiadesi i		1,404,843,498	1,132,464,146
Money at call and on short notice	6	1,404,045,490	335,151,342
Investments	7		000,101,042
Government	'	5,669,954,393	4,139,006,920
Others		463,859,956	64,128,955
		6,133,814,349	4,203,135,875
Loans and advances/investments	8	0,100,011,010	.,200, .00,0.0
Loans, cash credit, overdrafts etc./investments		36,487,405,727	26,516,246,080
Bills purchased and discounted		3,487,592,908	1,940,698,057
'		39,974,998,635	28,456,944,137
Fixed assets including premises, furniture and fixtures	9	644,249,923	498,428,682
Other assets	10	2,244,931,525	1,591,194,574
Non - banking assets		<u>-</u>	
Total assets		53,371,247,063	38,427,853,094
LIABILITIES AND CAPITAL Liabilities Borrowings from other banks, financial institutions and agents	11	1,615,750,000	1,554,000,000
	4.0		
Deposits and other accounts	12	0.004.500.004	1 074 014 000
Current/Al-wadeeah current accounts and other accounts		3,364,529,634 603,605,742	1,674,914,383
Bills payable Savings bank/Mudaraba savings bank deposits		2,822,379,865	537,086,490 2,247,622,259
Fixed deposits/Mudaraba fixed deposits		35,644,723,745	25,544,465,607
Bearer certificates of deposit		-	20,044,400,007
Other deposits		_	_
Cirior doposito		42,435,238,986	30,004,088,739
		, , ,	, , ,
Other liabilities	13	5,987,300,730	4,231,355,981
Total liabilities		50,038,289,716	35,789,444,721
Capital/shareholders' equity			
Paid up capital	14.2	1,743,750,000	1,395,000,000
Share premium		330	330
Statutory reserve	15	1,099,774,786	818,626,330
Revaluation reserve	16	12,398,929	(32,100,469)
Exchange equalization reserve		3,339,553	3,339,553
Retained earnings	17	473,693,749	453,542,629
Total shareholders' equity		3,332,957,347	2,638,408,373
Total liabilities and shareholders' equity		53,371,247,063	38,427,853,094

	Notes	2008 Taka	2007 Taka (Restated)
Off-Balance Sheet Items			
Contingent liabilities	18		
Acceptances and endorsements		5,774,123,763	3,552,424,369
Letters of guarantee		2,527,221,074	1,907,126,382
Irrevocable letters of credit		8,192,269,064	6,553,533,076
Bills for collection		3,128,753,717	2,049,478,029
Other contingent liabilities		5,561,014	5,066,272
		19,627,928,632	14,067,628,128
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		19,627,928,632	14,067,628,128
Total Off-Balance Sheet items including contingent liabilities	S	19,627,928,632	14,067,628,128

The annexed notes 1 to 44 form an integral part of these financial statements.

Chairman

Director Director

President and Managing Director

As per our report of same date.

Dhaka, 20 April 2009

Rahman Rahman Huq **Chartered Accountants**

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Profit and Loss Account for the year ended 31 December 2008

	Notes	2008 Taka	2007 Taka (Restated)
Interest income/profit on investments	20	4,973,111,163	3,662,378,054
Interest income/profit of investments Interest paid/profit shared on deposits, borrowings etc.	21	(3,739,016,507)	(2,705,032,734)
Net interest income/net profit on investments	۷1	1,234,094,656	957,345,320
Investment income	22	607,148,807	467,160,954
Commission, exchange and brokerage	23	850,633,162	700,206,728
Other operating income	24	200,658,932	129,272,049
		1,658,440,901	1,296,639,731
Total operating income (A)		2,892,535,557	2,253,985,051
Salaries and allowances	25	426,820,636	287,802,879
Rent, taxes, insurance, electricity etc.	26	89,832,577	76,353,609
Legal expenses Postage, stamp, telecommunication etc.	27 28	3,021,038 29,192,002	4,659,535 25,380,879
Stationery, printing, advertisements etc.	29	36,713,152	28,472,989
Managing Director's salary and fees	30	6,460,000	6,151,500
Directors' fees	31	592,000	857,400
Auditors' fees Depreciation and repair of Bank's assets	32	287,375 146,257,188	250,000 78,553,075
Other expenses	33	248,481,016	170,780,411
Total operating expenses (B)		987,656,984	679,262,277
Profit before provision (C=A-B)		1,904,878,573	1,574,722,774
Provision for loans and advances/investments	34		
General provision		175,901,962	52,987,710
Specific provision		228,805,278	84,500,814
5		404,707,240	137,488,524
Provision for off-balance sheet items Provision for diminution in value of investments		94,429,051	70,338,140
Other provisions		_	-
Total provision (D)		499,136,291	207,826,664
Total profit before tax (C-D)		1,405,742,282	1,366,896,110
Provision for tax			
Current	13.5.1	790,000,000	704,871,326
Deferred	13.5.2	(70,961,763)	(63,619,119)
		719,038,237	641,252,207
Net profit after tax		686,704,045	725,643,903
Appropriations			
Statutory reserve		281,148,456	273,379,222
General reserve		-	-
		281,148,456	273,379,222
Retained surplus	17	405,555,589	452,264,681
Earnings per share (par value Taka 100)	37	39.38	41.61

The annexed notes 1 to 44 form an integral part of these financial statements.

Chairman

Director

Director

President and Managing Director

As per our report of same date.



Statement of Changes in Equity

for the year ended 31 December 2008

Particulars	Paid up capital	Statutory reserve	Share premium	Share premium Revaluation reserve	Exchange equalization reserve	Retained earnings****	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2007	1,116,000,000	545,247,108	330			288, 493, 948	1,949,741,386
Less: Prior year adjustments:							
Dividend income (bonus share) *	ı	1	ı	ı	1	(8,216,000)	(8,216,000)
Restated balance as at 1 January 2007	1,116,000,000	545,247,108	330	1	ı	280,277,948	1,941,525,386
Statutory reserve	,	273,379,222	1	1	1	(273,379,222)	•
Revaluation reserve	1	1	ı	(32,100,469)	1	1	(32,100,469)
Issue of bonus share	279,000,000	1	1	1	1	(279,000,000)	
Exchange equalization reserve	1	1	ı	ı	3,339,553	1	3,339,553
Restated net profit for the year ***	,	1	1	ı	1	725,643,903	725,643,903
Balance as at 31 December 2007	1,395,000,000	818,626,330	330	(32,100,469)	3,339,553	453,542,629	2,638,408,373
Less: Prior year adjustments:							
Dividend income (bonus share) *	•	•	'	•	•	(4,554,000)	(4,554,000)
Revaluation loss **	1	,	1	32,100,469	1	(32,100,469)	
Restated balance as at 1 January 2008	1,395,000,000	818,626,330	330	1	3,339,553	416,888,160	2,633,854,373
Statutory reserve	1	281,148,456	'	1	,	(281,148,456)	
Revaluation reserve	1	,	'	12,398,929	,	•	12,398,929
Issue of bonus share	348,750,000	1	1	1	,	(348,750,000)	ı
Exchange equalization reserve	•	ı	1	1	ı	,	•
Net profit for the year	1	-	1	-	-	686,704,045	686,704,045
Balance as at 31 December 2008	1,743,750,000	1,099,774,786	330	12,398,929	3,339,553	473,693,749	3,332,957,347

Bonus share received as dividend had previously been recognised as income in the profit and loss account. In the year 2008 this has been corrected and previous year's balance has been restated as per BAS 8.

During the year 2007 income on treasury bills and bonds had been recognised as income using day count basis. At the end of 2007 such bills and bonds had been revalued using present value method. Differential amount recognised as revaluation loss has been reversed with opening balance of retained earnings.

During the year 2007 an amount of Tk 357,535,376 and Tk 110,796,658 on account of specific provision for loans and advances and interest receivable respectively had not been considered for deferred tax calculation purpose. In the year 2008 the items have been considered and previous year's balance has been restated as per BAS 8.

Depreciation on leased assets had been considered as temporary difference in calculating deferred tax although such an item is a permanent difference. In the Deferred tax on temporary difference of depreciation of fixed assets had been calculated using income statement method. In the year 2008 balance sheet method has been used and previous year's balance has been restated as per BAS 8.

The Bank had been presenting proposed dividend "both stock and cash" for prior year separately on the face of the balance sheet and statement of changes in year 2008 this item has been considered and previous year's balance has been restated as per BAS 8.

equity instead of disclosing by way of a note to the financial statements. From this year comparative figures have been rearranged as per BAS-1 and BAS-10.

Cash Flow Statement for the year ended 31 December 2008

		Notes	2008 Taka	2007 Taka
A)	Cash flows from operating activities			
	Interest receipts		5,395,782,250	4,124,985,009
	Interest payments		(2,925,763,855)	(2,705,032,734)
	Fees and commission receipts		850,059,372	700,206,728
	Cash payment to employees		(412,975,235)	(293,954,379)
	Cash payment to suppliers		(34,396,957)	(37,425,636)
	Income tax paid		(748,527,220)	(363,665,746)
	Receipts from other operating activities	35	200,658,932	129,272,049
	Payments for other operating activities	36	394,540,871	277,955,961
	Cash generated from operating activities before changes in operating assets and liabilities		2,719,378,158	1,832,341,252
	Increase/(decrease) in operating assets and liabilities:			
	Loans and advances to customers		(11,182,903,156)	(6,201,304,145)
	Other assets		(925,630,176)	(162,174,618)
	Deposits from customers		12,423,078,337	4,714,729,362
	Trading liabilities		61,750,000	1,184,000,000
	Other liabilities		554,956,105	713,859,156
			931,251,110	249,109,755
	Net cash generated from operating activities		3,650,629,268	2,081,451,007
B)	Cash flows from investing activities			
	Investments of treasury bills and bonds		(1,536,750,108)	(1,234,440,590)
	(Purchase)/sale of trading securities		(403,386,240)	177,721,888
	Purchase of fixed assets		(179,004,369)	(24,097,119)
	Net cash used in investing activities		(2,119,140,717)	(1,080,815,821)
C)	Cash flows from financing activities			
	Payment for finance lease		(46,956,104)	(6,013,903)
	Net cash used in financing activities		(46,956,104)	(6,013,903)
D)	Net increase in cash and cash equivalents (A+ B + C)		1,484,532,447	994,621,283
E)	Effects of exchange rate changes on cash and cash equiv	alents	-	-
F)	Cash and cash equivalents at beginning of the year		4,235,246,048	3,240,624,765
G)	Cash and cash equivalents at end of the year (D+E+F)		5,719,778,495	4,235,246,048
Cas	h and cash equivalents at end of the year represents			
	h in hand (including foreign currencies)		279,733,998	219,714,704
	nce with Bangladesh Bank and its agent bank (including foreign cu	rrencies)	2,688,675,135	1,990,819,634
	ance with other banks and financial institutions	,	1,404,843,498	1,132,464,146
	ney at call and on short notice		, , , , , , , , , , , , , , , , , , , ,	335,151,342
	e bond		1,532,200	1,184,300
			4,374,784,831	3,679,334,126

as at and for the year ended 31 December 2008

1. The Bank and its activities

1.1 Reporting entity

Bank Asia Limited is one of the third generation private commercial banks (PCBs), incorporated in Bangladesh on 28 September 1999 as a public limited company under the Companies Act 1994, and governed by the Bank Companies Act 1991. The Bank went for public issue of its shares on 23 September 2003 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. At present the Bank has 36 branches and 18 ATM booths.

Bank Asia Limited acquired the business of Bank of Nova Scotia (incorporated in Canada), Dhaka, in the year 2001 and at the beginning of the year 2002, the Bank also acquired the Bangladesh operations of Muslim Commercial Bank Limited (MCBL), a bank incorporated in Pakistan, having two branches at Dhaka and Chittagong. In taking over the Bangladesh operations, all assets and certain specific liabilities of MCBL were taken over by Bank Asia Limited at book values.

The registered office of the Bank is located at Tea Board Building (1st floor), 111-113, Motijheel C/A, Dhaka-1000.

1.2 Principal activities

The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh.

1.3 Islamic banking unit

The Bank obtained the Islamic Banking unit permission vide letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December 2008. The Bank commenced operation of this unit from 24 December 2008 and its office is located at House-79A, Road-07, Sector-4, Uttara Model Town, Uttara. The Islamic banking unit is governed under the rules and regulations of Bangladesh Bank. Distribution of profit on deposit is shown in **Annexure-I** and separate balance sheet and profit and loss account of Islamic banking unit are shown in **Annexure-J** and **Annexure-K**.

1.4 Off-shore banking unit

The Bank obtained Off-shore banking unit permission vide letter no. BRPD(P-3)744(94)/2007-1853 dated 21 June 2007. It commenced operation of this unit from 28 January 2008 and its office is located at Zone Service Complex, Chittagong Export Processing Zone, Chittagong. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank. Separate balance sheet and profit and loss account of Off-shore banking unit are shown in Annexure-L and Annexure-M.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38) of the Bank Companies Act 1991 as amended by BRPD Circular no. 14, dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other prevailing laws and rules applicable in Bangladesh.

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds (HFT) at present value using marking to market concept
- Government Treasury Bills and Bonds (HTM) at present value using amortisation concept
- Zero Coupon Bond at present value using amortisation concept
- Quoted ordinary shares at cost or market price whichever is lower at balance sheet date

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Tk), which is the Bank's functional currency. Functional currency for Off-shore unit is US dollar. Except as indicated, financial information have been rounded off to the nearest Taka.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

as at and for the year ended 31 December 2008

2.5 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh bank (The central bank of Bangladesh).

2.6 Statement of liquidity

The liquidity statement of assets and liabilities as at the reporting date has been prepared on residual maturity term as per the following basis:

- Balance with other banks and financial institutions, money at call and on short notice are on the basis of their maturity terms
- b) Investments are on the basis of their maturity terms
- c) Loans and advances/investments are on the basis of their repayment schedules
- d) Fixed assets are on the basis of their useful lives
- e) Other assets are on the basis of their realisation/adjustments
- f) Borrowings from other banks, financial institutions and agents as per their maturity/repayment terms
- g) Deposits and other accounts are on the basis of their maturity terms and behavioural past trend
- h) Other liabilities are on the basis of their payment/ adjustments schedule

Details are shown in Annexure-B.

2.7 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2008.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3.1 Basis of consolidation

A separate set of records for consolidation of the statement of affairs and profit and loss account of the branches including Islamic banking unit and Off-shore banking unit are maintained at Head Office of the Bank based on which these financial statements have been prepared.

3.2 Foreign currency

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions.

3.3 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and balances with Bangladesh Bank and its agent bank, balances with other banks and financial institutions, money at call and on short notice and prize bond.

3.4 Investments

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discounts are accredited.

Held to Maturity

Investments which have, "fixed or determinable payments' and are intended to be 'Held to Maturity' are classified as held to maturity.

Held for Trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Revaluation

As per the DOS Circular letter no.-05, dated 26 May 2008, HFT securities are revaluated on weekly basis and HTM securities are amortised on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognised in the statement of changes in equity. Gain/(loss) on revaluation of HFT securities is recognised in the profit and loss account on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

Value of investments has been shown as under:

Government Treasury Bills and Bonds (HFT)

Government Treasury Bills and Bonds (HTM)

Zero Coupon Bond

At present value (using marking to market concept)

At present value (using amortisation concept)

At present value (using amortisation concept)

Prize Bond and other bonds At cost
Debentures At cost
Un quoted shares (ordinary) At cost

Quoted shares (ordinary) At cost or market value whichever is lower at balance sheet date.

as at and for the year ended 31 December 2008

Details are shown in Note 7.

3.5 Loans and advances/investments

- a) Loans and advances/investments are stated in the balance sheet on gross basis.
- b) Interest on loans and advances is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest is calculated on classified loans and advances as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation.
- c) Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circulars no. 16 of 6 December 1998, 9 of 14 May 2001, 9 and 10 of 20 August 2005, 5 of 5 June 2006, 8 of 7 August 2007, 10 of 18 September 2007 and 5 of 29 April 2008.

Rates of provision on loans and advances/investments are given below:

<u>Particulars</u>	Ra	tes
	2008	2007
General provision on:		
Unclassified loans and advances/investments	1%	1%
Small enterprise financing	1%	2%
Consumer finance for house building loan		
and loan for professional setup	2%	2%
Consumer finance other than house building loan		
and loan for professional setup including credit cards	5%	5%
Special Mention Account	5%	5%
Off balance sheet exposure	1%	0.50%
Specific provision on:		
Substandard loans and advances/investments	20%	20%
Doubtful loans and advances/investments	50%	50%
Bad/loss loans and advances/investments	100%	100%

3.6 Fixed assets and depreciation

3.6.1 Recognition and measurement

Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses. Land is measured at cost.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

3.6.2 Subsequent costs

The cost of replacing part of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

3.6.3 Depreciation

No depreciation is charged on land. Depreciation is charged on straight-line method. In case of acquisition of fixed assets, depreciation is charged in the year of acquisition, whereas depreciation on disposed off fixed assets is charged up to the year prior to the year of disposal. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Building	5%
Furniture and fixture	20%
Equipments	20%
Computer and accessories	20%
Motor vehicles	20%

as at and for the year ended 31 December 2008

Gain or loss on sale of fixed assets are recognised in profit and loss account as per provision of BAS 16 "Property, plant and equipments"

3.7 Other assets

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. **Details are shown in Note 10.**

3.8 Liabilities and provisions

3.8.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note 11.**

3.8.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note 12.**

3.8.3 Other liabilities

As per BAS- 37: "Provisions, Contingent Liabilities and Contingent assets" the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh bank, Income Tax Ordinance-1984 and internal policy of the Bank. **Details are shown in Note 13.**

3.9 Capital/shareholders' equity

Authorised capital

Authorised capital is the maximum amount of share capital that the bank is authorised by its Memorandum and Articles of Association to issue to shareholders.

Paid up capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. **Details are shown in Note 14.2.**

Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 until such reserve equal to its paid up capital together with amount in the share premium account.

Revaluation reserve

Revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the DOS circular no. 5 dated 26 May 2008.

3.10 Contingent liabilities

Any possible obligation that arises form past events and the existence of which will be confirmed only by the

as at and for the year ended 31 December 2008

occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or Any present obligation that arises form past events but is not recognised because:

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- * the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may results in the recognition of income which may never be realised.

3.11 Revenue recognition

Interest income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and advances ceases to be taken into income when such advances fall into SMA and under classification. When such advances fall under SMA and under classification, interest is kept in interest suspense account. Interest on SMA and classified advances is accounted for on a cash receipt basis.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.

Investment income

Income on investments is recognised on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposit with other banks.

Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on accrual basis. Interest and fees are ceases to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. This include fees and commission income arising on financial and other services provided by the bank including trade finance, credit cards, debit cards, passport endorsement, loan processing, loan syndication and locker facilities etc. Fees and commission income arises on services rendered by the Bank recognised on a realisation basis.

Interest paid on borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognised on accrual basis as per provisional rate. However, the final profit is determined and to be paid to the depositors as per **Annexure-I.**

3.12 Employee benefits

3.12.1 Provident Fund

Provident fund benefits are given to the staff of the bank in accordance with the approved Provident fund rules. The fund is operated by a Board of Trustees . All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund.

as at and for the year ended 31 December 2008

3.12.2 Gratuity Fund

Gratuity fund benefits are given to the eligible staff of the Bank in accordance with the approved Gratuity fund rules. Gratuity payable is determined on the basis of existing rules and regulations of the Bank. Actuarial valuation is not considered essential since amount payable at the date of balance sheet is recognised and accounted for as at that date based on actual rate.

3.12.3 Superannuation Fund

The Bank operates a Superannuation Fund for which provision is made annually covering all its eligible employees. The Fund is operated by a separate Board of Trustees.

3.12.4 Hospitalisation insurance

The Bank operates a health insurance scheme to its confirmed employees and their respective spouses at rates provided in health insurance coverage policy.

3.13 Taxation

The Bank accounted for deferred tax as per Bangladesh Accounting Standard (BAS) - 12. Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to items recognised directly in shareholders' equity, in which case it is recognised in shareholders' equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for current income tax has been made as per the provision of Income Tax Ordinance 1984 on total income from Banking business, interest on securities actually received and dividend actually received. **Details are shown in note 13.5.1**

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. They are also recognised for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilise the benefits of the temporary difference.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to unrelised surplus on revaluation of held to maturity (HTM) and held for trading (HFT) securities are recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss account on maturity of the security.

3.14 Leases

Upon initial recognition the leased asset is measured at the amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

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3.15 Earnings Per Share

Earnings per Share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as at 31 December 2008 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings Per Share". **Details are shown in Note 37**.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighted factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of BAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

3.16 Reconciliation of inter-bank/inter-branch account

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on monthly basis and there are no material differences which may affect the financial statements significantly. **Details of provision on Nostro accounts are shown in Annexure-N**.

Un-reconciled entries in case of inter-branch transactions as at the reporting date are not material.

3.17 Risk management

Bangladesh Bank has identified 5 (five) core risks for management of the banks and has provided the necessary guidelines for implementation. The five core risks are:

Credit risk

Foreign exchange risk

Asset liability risks

Money laundering risk

Internal control and compliance risk

The prime objective of the risk management is that the Bank takes calculated business risk to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a committee (MANCOM) to overview proper implementation and regular monitoring of these critical areas.

3.18 Credit risk

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of a counter party to perform with agreed terms with the Bank. To assess and to mitigate the credit risk, the management has implemented Credit Risk Manual, which is considered an important tool for retaining the quality performance of the assets. Accordingly, Bank's credit risk management functions have been designed to address all these issues including risk that arises from global changes in banking, finance and related issues.

The Bank has segregated duties of the officers/ executives engaged in the credit related activities. A separate department has been formed at Corporate Office which is entrusted with the tasks of maintaining effective

as at and for the year ended 31 December 2008

relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Department. These are (i) Credit Risk Management Unit, (ii) Credit Administration Unit, and (iii) Credit Monitoring and Recovery Unit.

3.19 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings arising due to unfavorable change in exchange rates. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against L/C commitments and other remittance requirements. No speculative dealing on Bank's account was conducted during the year. Treasury front office conducts deal for commercial purpose and back office of treasury keeps record and passes entries in books of account. The main risks in treasury and foreign exchange business are exchange rates risk, fund management and liquidity risk. As per Bangladesh Bank's guidelines, the Treasury Department was operationally and physically divided into front office and back office to mitigate the risk. Separate telephone and fax lines were installed in the dealing room to meet Bangladesh Bank's guidelines.

3.20 Asset liability/ balance sheet risks

The Bank has an Asset Liability Committee (ALCO) which is responsible for managing short-term and long-term liquidity and ensuring that the Bank has adequate liquidity at all times at the most appropriate funding cost. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors Balance Sheet risk. The Balance Sheet risk is defined as potential changes in earnings due to changes in rate of interest and exchange rates which are not of trading nature.

3.21 Money laundering risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has nominated a Chief Compliance Officer at Corporate Office and Branch Compliance Officers at branches, who independently review the accounting transactions to locate and verify suspicious transactions. Know Your Customer (KYC) policy and Transaction Profile (TP) format have been introduced. The regulatory requirements are being complied with and the guidelines in respect of KYC are being followed for opening of new accounts. Training is being providing continuously to all the categories of executives and officers for developing awareness and skill for identifying suspicious activities.

In addition, the President & Managing Director has provided a message on Anti Money Laundering (AML) policy. The management has circulated a Customer Acceptance Policy to the members of the staff for guidance.

3.22 Internal control and compliance risk

Operational loss may arise from errors, omissions, frauds and forgeries due to lack of proper internal control and compliance culture. Management, through the Internal Control and Compliance Department, ensures controls over all operational areas of the Bank. Internal Control and Compliance Department undertakes periodical and special audit and inspection of the branches and departments at Corporate Office for identifying and reviewing the operational lapses and compliance of statutory requirements as well as Bank's own guidelines. The Audit Committee of the Board also reviews the Audit and Inspection reports of the Internal Control and Compliance Department. The Bank has introduced Risk Based Internal Audit (RBIA) and audit rating over its branches from 2006 and prepared a comprehensive audit manual which has been approved for implementation by the Board of Directors.

3.23 Compliance of Bangladesh Accounting standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)

Name of the standards	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-1	Not Applicable
Statement of Cash Flows	BAS-7	Applied
Accounting policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income taxes	BAS-12	Applied
Segment Reporting	BAS-14	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Cost	BAS-23	Applied
Related party Disclosures	BAS-24	Applied
Accounting and reporting by retirement benefit plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investment in Associates	BAS-28	Not Applicable
Disclosure in the financial statements of Banks and Similar Financial Institution	BAS-30	Applied
Interest in Joint Ventures	BAS-31	Not Applicable
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Not Applicable
Impairments of Assets Provisions, Contingent Liabilities and Contingent Assets	BAS-36 BAS-37	Applied Applied
Intangible Assets	BAS-38	Not Applicable
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable
First-time adoption of Bangladesh Financial Reporting Standards	BFRS-1	Applied
Shares Based Payment	BFRS-2	Not applicable
Business combination	BFRS-3	Not applicable
Non-current assets Held for Sale and Discontinued operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable

3.24 Approval of financial statements

The financial statements were approved by the Board of Directors on 12 April 2009.

as at and for the year ended 31 December 2008

4	Cash	2008 Taka	2007 Taka
4.1	In hand		
	Conventional and Islamic banking:		
	Local currency	272,894,568	210,245,464
	Foreign currencies	6,839,430	9,469,240
		279,733,998	219,714,704
	Off-shore banking unit		
		279,733,998	219,714,704
4.2	Balance with Bangladesh Bank and its agent bank Conventional and Islamic banking: Balance with Bangladesh Bank		
	Local currency (statutory deposit)	2,048,283,837	1,591,130,818
	Foreign currencies	594,818,711	399,688,816
		2,643,102,548	1,990,819,634
	Balance with agent bank (Sonali Bank Ltd.)		
	Local currency	45,572,587	-
	Foreign currencies	-	-
		45,572,587	
		2,688,675,135	1,990,819,634
	Off-shore banking unit	_	
		2,688,675,135	1,990,819,634
		2,968,409,133	2,210,534,338

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

4.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and BRPD circular nos. 11 and 12, dated 25 August 2005.

The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate 5% has been calculated and maintained with Bangladesh Bank and its agent bank in local currency and 18% Statutory Liquidity Requirement, including CRR, on the same liabilities has also been maintained in the form of cash in hand, treasury bills, bonds and debentures. CRR and SLR reserves maintained by the Bank are shown below:

4.3.1 Cash Reserve Requirement (CRR):

5% of Average Demand and Time Liabilities:

Required reserve	2,144,024,000	1,179,269,000
Actual reserve maintained	2,152,463,999	1,580,389,431
Surplus	8,439,999	401,120,431

4.3.2 Statutory Liquidity Ratio (SLR):

18% of Average Demand and Time Liabilities including 5% CRR:

Required reserve (including CRR)	7,718,488,000	5,306,708,000
Actual reserve maintained (including CRR)	8,117,524,750	5,767,955,151
Surplus	399,036,750	461,247,151

4.3.3	Held for Statutory Liquidity Ratio	2008 Taka	2007 Taka
	Cash in hand Balance with Bangladesh Bank and its agent bank(s) as per statement Government securities Government bonds Other securities	279,138,558 2,152,463,999 2,455,690,634 2,379,624,174 850,607,385 8,117,524,750	218,557,720 1,580,389,431 1,006,930,000 2,490,271,000 471,807,000 5,767,955,151
5	Balance with other banks and financial institutions In Bangladesh (Note 5.1)		
	Conventional and Islamic banking (Note 5.1.1) Off-shore banking unit	1,094,542,411	853,807,924
	Outside Bangladesh (Note 5.2)	1,094,542,411	853,807,924
	Conventional and Islamic banking (Note 5.2.1) Off-shore banking unit	301,474,087 8,827,000 310,301,087	278,656,222 - 278,656,222 1,132,464,146
		1,404,843,498	1,132,404,140
5.1	In Bangladesh		
5.1 5.1.1	In Bangladesh Conventional and Islamic banking		
	Conventional and Islamic banking Current accounts Agrani Bank Ltd. National Bank Ltd. NCC Bank Ltd. United Commercial Bank Ltd. The City Bank Ltd. Sonali Bank Ltd. Standard Chartered Bank	6,106,831 5,023,332 1,650 9,092,446 17,752,290 500,000 3,291,209 41,767,758	3,659,424 44,903,794 2,800 8,087,584 5,678,432 - - 62,332,034
	Conventional and Islamic banking Current accounts Agrani Bank Ltd. National Bank Ltd. NCC Bank Ltd. United Commercial Bank Ltd. The City Bank Ltd. Sonali Bank Ltd. Standard Chartered Bank Short-term deposit accounts	5,023,332 1,650 9,092,446 17,752,290 500,000 3,291,209 41,767,758	44,903,794 2,800 8,087,584 5,678,432 - - 62,332,034
	Conventional and Islamic banking Current accounts Agrani Bank Ltd. National Bank Ltd. NCC Bank Ltd. United Commercial Bank Ltd. The City Bank Ltd. Sonali Bank Ltd. Standard Chartered Bank	5,023,332 1,650 9,092,446 17,752,290 500,000 3,291,209	44,903,794 2,800 8,087,584 5,678,432
	Conventional and Islamic banking Current accounts Agrani Bank Ltd. National Bank Ltd. NCC Bank Ltd. United Commercial Bank Ltd. The City Bank Ltd. Sonali Bank Ltd. Standard Chartered Bank Short-term deposit accounts Uttara Bank Ltd. Mercantile Bank Ltd.	5,023,332 1,650 9,092,446 17,752,290 500,000 3,291,209 41,767,758 2,930,720 21,655	44,903,794 2,800 8,087,584 5,678,432 - - 62,332,034

5.2 5.2.1

Fixed deposit accounts	2008 Taka	2007 Taka
With banks	-	-
With financial institutions:		
Industrial and Infrastructure Development Finance Company	250,000,000	208,410,214
Ltd. National Housing Finance and Investments Ltd.	100,000,000	150,000,000
Union Capital Ltd.	50,000,000	120,000,000
Phoenix Leasing Company Ltd.	200,000,000	100,000,000
Lanka Bangla Finance Ltd.	100,000,000	100,000,000
Bangladesh Industrial Finance Company Ltd.	60,000,000	30,000,000
Oman Bangladesh Lease Finance	-	30,000,000
Bay Leasing & Investment Ltd.	80,000,000	-
International Leasing and Financial Services Ltd.	200,000,000	50,000,000
	1,040,000,000	788,410,214
	1,094,542,411	853,807,924
Outside Bangladesh		
Conventional and Islamic banking		
Current account		
Interest bearing:		
Standard Chartered Bank, New York	53,070,732	71,496,317
Citibank NA, London	888,865	83,303
Citibank NA, New York	566,851	29,691,634
Citibank NA, London	244,979	5,958,328
Mashreqbank psc, New York	1,548,954	1,009,905
National Westminster Bank plc, London	3,399,484	437,900
Habib American Bank, New York	43,182,020	8,718,727
Standard Chartered Bank, Mumbai	25,579,881	11,570,799
Niew international	128,481,766	128,966,913
Non-interest bearing:	07 075 405	E 0E1 0E0
AB Bank Ltd., Mumbai	27,675,435	5,651,253
American Express Bank Ltd., New York Credit Suisse First Boston, Zurich	1,218,008 68,323	33,443,736
Bank of Nova Scotia, Zurich	325,633	317,660 219,832
Commerzbank AG, Frankfurt	545,652	15,681,057
Habib Metropolitan Bank Ltd, Karachi	8,406,504	440,964
Hypo Vereinsbank, Munich	147,646	70,957
HSBC, New York	26,876,849	56,895,863
HSBC Australia Ltd, Sydney	270,921	218,304
ICICI Bank Ltd, Mumbai	74,060,732	1,254,672
Bhutan National Bank Ltd, Thimphu	8,428,000	2,999,500
Muslim Commercial Bank Ltd, Colombo	2,723,542	24,697,593
Muslim Commercial Bank Ltd, Karachi	9,724,806	6,991,600
Nepal Bangladesh Bank, Kathmandu	8,639,422	-
Wachovia Bank N.A, New York	2,816,621	_
UBAF, Tokyo	1,064,227	806,318
•	172,992,321	149,689,309
	301,474,087	278,656,222
Details are shown in Annexure-C		

5.3	Maturity-wise grouping	2008 Taka	2007 Taka
	Up to 1 month	364,843,498	212,046,789
	More than 1 month but not more than 3 months	-	132,007,143
	More than 3 months but not more than 6 months	-	, , , <u>-</u>
	More than 6 months but not more than 1 year	1,040,000,000	788,410,214
	More than 1 year but not more than 5 years	-	· · ·
	More than 5 years	-	-
	·	1,404,843,498	1,132,464,146
6	Money at call and on short notice		
	Banking company	-	-
	Non-banking financial institutions:		
	Industrial Development Leasing Company of Bangladesh Ltd.	-	307,646,799
	International Leasing and Financial Services Ltd.	-	27,504,543
7	Investments	-	
,	Government (Note 7.1)	5,669,954,393	4,139,006,920
	Others (Note 7.2)	463,859,956	64,128,955
	-	6,133,814,349	4,203,135,875
	·		
7.1	Government:		
	Treasury bills (Note 7.1.1)	497,990,634	1,060,713,000
	Treasury bonds (Note 7.1.2)	5,170,431,559	3,077,109,620
	Prize bond	1,532,200 5,669,954,393	<u>1,184,300</u> 4,139,006,920
	·	3,009,934,393	4,139,000,920
7.1.1	Treasury bills		
	364 days treasury bills	497,990,634	471,651,207
	2 years treasury bills	-	589,061,793
	·	497,990,634	1,060,713,000
7.1.2	Treasury bonds		
	3 years T & T digital treasury bonds	454,022,275	96,880,150
	3 years T & T mobile treasury bonds	379,085,110	382,130,305
	5 years Bangladesh Government treasury bonds	2,314,835,222	636,720,124
	10 years Bangladesh Government treasury bonds	1,731,088,952	1,654,602,702
	15 years Bangladesh Government treasury bonds	291,400,000	306,776,339
	-	5,170,431,559	3,077,109,620
7.2	Others investments		
	Ordinary shares (Details are shown in Annexure-D) Quoted		
	IFIC Bank Limited	250,002,000	-
	Unquoted	10,000,000	40,000,000
	Industrial and Infrastructure Development Finance Company Ltd.* Central Depository Bangladesh Limited (CDBL)	10,000,000 2,000,000	10,000,000
	Era-Infotech Ltd	2,000,000 383,700	383,700
	Era illiotoon Eta	12,383,700	12,383,700
		262,385,700	12,383,700

	Debentures	2008 Taka	2007 Taka
	Debentures (10 years):		
	Beximco Denims Ltd	15,327,628	15,872,627
	Beximco Textiles Ltd	15,327,628	15,872,628
		30,655,256	31,745,255
	Debentures of House Building Finance Corporation	17,500,000	20,000,000
	Membership of Dhaka stock exchange	153,319,000	-
		463,859,956	64,128,955
	*Stock dividend had previously been debited to investment account been adjusted with previous year's figure as per BAS-8.	t. An aggregate amount o	f Tk 8,216,000 has
7.3	Investments classified as per Bangladesh Bank Circular:		
	Held for trading (HFT)	2,877,614,808	589,061,793
	Held to maturity (HTM)	2,808,307,385	3,548,760,826
	Other securities	447,892,156	65,313,256
		6,133,814,349	4,203,135,875
7.4	Maturity-wise grouping		
	On demand	1,532,200	1,184,300
	Up to 3 months	497,990,634	274,278,399
	More than 3 months but not more than 1 year	-	732,319,303
	More than 1 year but not more than 5 years	3,147,942,607	1,063,940,000
	More than 5 years	2,486,348,908	2,131,413,873
		6,133,814,349	4,203,135,875
8	Loans and advances/investments		
	Loans, cash credit, overdrafts etc. (Note 8.1)	36,487,405,727	26,516,246,080
	Bills purchased and discounted (Note 8.2)	3,487,592,908	1,940,698,057
		39,974,998,635	28,456,944,137
8.1	Loans, cash credit, overdrafts etc.		
	Conventional and Islamic banking		
	Inside Bangladesh		
	Overdrafts	9,982,154,113	7,601,132,810
	Cash credit/Murabaha	7,462,835	36,672,207
	Loans (General)	2,479,892,176	818,336,784
	House building loans	84,508,511	130,475,091
	Loan against trust receipts	12,192,070,999	9,381,096,985
	Payment against documents	1,880,336,630	921,737,501
	Consumer credit scheme	1,521,333,438	884,390,871
	Transport loan	365,796,442	420,780,637
	Term loan- industrial	2,830,971,455	2,437,080,029
	Term loan- others	4,535,088,332	3,596,531,140
	Staff Loan	246,844,840	193,713,084
	Credit card	173,116,722	59,834,438
	Small and medium enterprise (SME)	152,408,212	17,560,976
	Credit for poverty alleviation scheme-micro credit	35,421,022	16,903,527
		36,487,405,727	26,516,246,080
	Outside Bangladesh		
	Off-shore banking unit	36,487,405,727	26,516,246,080
	on oner banking and	36,487,405,727	26,516,246,080
		,,,	==,=:=,=:=,==

		2008 Taka	2007 Taka
8.2	Bills purchased and discounted (Note 8.14) Conventional and Islamic banking Off-shore banking unit	3,487,592,908	1,940,698,057
	· ·	3,487,592,908	1,940,698,057
8.3	Maturity-wise grouping		
	Repayable on demand	2,208,608,892	1,448,273,529
	Not more than 3 months	8,894,146,265	6,103,477,433
	More than 3 months but not more than 1 year	18,083,500,560	14,386,886,019
	More than 1 year but not more than 5 years	6,700,620,461	5,333,117,986
	More than 5 years	4,088,122,457	1,185,189,170
		39,974,998,635	28,456,944,137
8.4	Net loans and advances/investments		
	Gross loans and advances/investments	39,974,998,635	28,456,944,137
	Less: Interest suspense (Note 13.4)	155,862,372	80,994,256
	Provision for loans and advances/investments (Note 13.2)	1,143,016,334	739,825,414
		1,298,878,706	820,819,670
		38,676,119,929	27,636,124,467
8.5	Loans and advances/investments under the following broad cat In Bangladesh:	egories	
	Loans	29,782,428,070	20,716,216,755
	Cash credit	7,462,835	36,672,207
	Overdrafts	9,982,154,113	7,601,132,810
	Outside Beneledeels	39,772,045,018	28,354,021,772
	Outside Bangladesh: Bills purchased and discounted (Note 8.14)	202,953,618	102,922,365
	Bills purchased and discounted (Note 5.14)	39,974,998,636	28,456,944,137
			20,100,011,101
8.6	Significant concentration wise grouping		
	a) Directors	-	-
	b) Chief Executive and other senior executives		
	i) Managing Director	2,762,963	4,911,714
	ii) Other senior executives	75,675,627 78,438,590	68,757,771 73,669,485
	c) Consumers	70,430,390	73,009,403
	i) Commercial lending	14,143,985,489	8,512,025,047
	ii) Export financing	3,487,593,000	1,940,698,057
	iii) House building loan	84,508,511	130,475,091
	iv) Consumer credit scheme	1,649,707,000	910,993,528
	v) Small and medium enterprise	152,408,212	17,560,976
	vi) Staff loan	168,406,250	120,043,515
	vii) Credit card	173,116,722	59,834,438
	viii) Non-banking financial institutions	843,157,231	499,453,000
		20,702,882,415	12,191,083,652

			2008 Taka	2007 Taka
	ط/ اصطر	votrico		
	,	ustries Agricultural and jute	554,435,000	368,995,000
	i) ii)	Readymade garments	2,695,110,000	1,843,890,000
	iii)	Textile	2,310,853,000	1,797,318,000
	iv)	Food and allied	2,317,100,000	2,178,634,000
	v)	Chemical	402,459,000	355,432,000
	vi)	Cement	600,835,000	601,311,000
	vi) vii)	Electronics	181,609,000	220,140,000
	vii) ∨iii)	Steel	2,504,678,000	2,401,821,000
	ix)	Paper	706,928,000	461,714,000
	x)	Real estate	1,419,074,000	789,279,000
	×i)	Other	2,216,800,631	2,850,333,000
	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Ottici	15,909,881,631	13,868,867,000
	d) Infra	astructural	10,000,001,001	10,000,007,000
	i)	Power	394,296,000	196,468,000
	ii)	Telecom	668,445,000	572,626,000
	iii)	Construction	1,064,863,000	473,819,000
	iv)	Transport	1,156,192,000	1,080,411,000
	,		3,283,796,000	2,323,324,000
			39,974,998,636	28,456,944,137
8.7	Inside B Urban Dhaka Di Chittagor Khulna D Rajshahi Sylhet Di Rural Dhaka Di Chittagor	ng Division Iivision Division vision	24,397,630,489 12,956,465,567 189,006,620 519,334,322 671,483,381 38,733,920,379 1,022,491,232 218,587,024 1,241,078,256	17,161,544,345 9,879,479,919 70,090,075 140,967,324 437,032,668 27,689,114,331 663,497,910 101,331,896 764,829,806
8.8	Securitie	es against loans/investments including bills purchased a	and discounted	
		I of movable/immovable assets	22,526,458,464	16,121,068,521
	Local bar	nks' and financial institutions guarantee	-	-
	Governm	nent guarantee	-	-
	Foreign b	panks' guarantee	-	-
	Export do	ocuments	-	-
	Cash and	d quasi cash	5,671,118,000	3,729,441,412
	Governm	nent bonds	-	-
		guarantee	7,361,995,540	5,298,046,237
	Other sea	curities	4,415,426,631	3,308,387,967
			39,974,998,635	28,456,944,137

as at and for the year ended 31 December 2008

8.9 Details of large loan/investments

As at 31 December 2008 there were seventeen (2007: eighteen) clients with whom amount of outstanding and classified loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Tk 3,987.75 million as at 31 December 2008 (Tk 3,047.38 million in 2007).

Details are shown in Annexure-G

	Details are shown in Annexure-G		2008 Toka	2007 Taka
8.10	Partic	culars of loans and advances/investments	Taka	Taka
	i)	Loans/investments considered good in respect of which the bank is fully secured	28,197,576,464	19,850,509,933
	ii)	Loans/investments considered good against which the bank holds no security other than the debtors' personal guarantee	7,361,995,540	5,298,046,237
	iii) i∨)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors Loans/investments adversely classified; provision not maintained	4,415,426,631	3,308,387,967
	ŕ	there against		
		<u>-</u>	39,974,998,635	28,456,944,137
	v)	Loans/investments due by directors or officers of the bank or any of them either separately or jointly with any other persons	246,844,840	193,713,084
	∨i)	Loans/investments due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members		
	∨ii)	Maximum total amount of advances/investments, including temporary advances/investments made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	246,844,840	193,713,084
	∨iii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members		
	ix)	Due from banking companies	3,284,639,290	1,837,775,692
	x)	Classified loans/investments for which interest has not been charge a) Increase/decrease of provision (specific) b) Amount of loan written off Amount realised against the loans previously written off	ed: 228,805,278 -	84,500,814 -
		 Provision kept against loans/investments classified as bad debts Interest credited to interest suspense account 	562,870,624 155,862,372	400,362,523 80,994,256
	xi)	Cumulative amount of written off loans/investments Opening Balance Amount written off during the year	1,443,296 -	1,443,296 -
		The amount of written off loans/investments for which law suit has been filed	1,443,296	1,443,296

					2008 Taka	2007 Taka
8.11	Grouping as per classification	rules				
	Unclassified: Standard including staf Special Mention Accou			1,5	90,120,954 12,208,325 02,329,279	27,482,783,528 278,496,000 27,761,279,528
8.12	Classified: Sub-standard Doubtful Bad/loss Particulars of required provision	for loans and adv	rances/investmer	1 8 1,0 39,9	24,732,624 79,785,128 68,151,604 72,669,356 74,998,635	96,658,921 44,760,682 554,245,006 695,664,609 28,456,944,137
			2008			2007
	Status	Outstanding loans & advances as at 31 Dec 2008	Base for provision	% of required provision	Required provision	Required provision
		(Taka)	(Taka)		(Taka)	(Taka)
	For loans and advances: Unclassified - General provision All unclassified loans (other than small enterprises, housing finance, loans for professional, consumer financing and special mention account)	35,142,890,788	35,142,890,788	1%	351,428,90	8 257,192,000
	Small enterprise financing	152,408,212	152,408,212	1%	1,524,08	11,288,000
	Housing and loan for professional	683,705,114	683,705,114	2%	13,674,10	6,668,000
	Consumer finance	1,164,272,000	1,164,272,000	5%	58,213,60	33,604,000
	Special Mention Account (SMA)	1,512,208,325	1,454,451,390	5%	72,722,57 497,563,26	
	Classified - Specific provision: Sub-standard Doubtful Bad/loss Required provision for loans and act Total provision maintained (Note 13)		18,102,535 156,560,481 562,870,624	20% 50% 100%	3,620,50 78,280,24 562,870,62 644,771,37 1,142,334,63 1,143,016,33	7,134,199 400,362,523 2 417,482,414 3 739,825,414
	Excess/(short) provision at 31 Dece	ember 2008			681,70	01 -

		2008 Taka	2007 Taka
8.13	Suits filed by the Bank (Branch wise details)		
	Banani Branch	2,040,843	-
	Corporate Branch	17,782,719	-
	Dhanmondi Branch Dilkusha Branch	3,726,372	-
	Gulshan Branch	18,137,080 83,253,956	13,817,111 71,000,398
	Khatunganj Branch	127,369,364	7 1,000,396
	North South Road Branch	6,914,048	
	Principal Office Branch	344,436,786	292,408,263
	Scotia Branch	218,376,911	175,765,343
	Sylhet Main Branch	209,099	209,099
	Uttara Branch	587,560	-
		822,834,738	553,200,214
8.14	Bills purchased and discounted		
	Payable in Bangladesh	3,284,639,290	1,837,775,692
	Payable outside Bangladesh	202,953,618	102,922,365
		<u>3,487,592,908</u>	1,940,698,057
0.45			
8.15	Maturity-wise grouping Payable within 1 month	706 947 441	596,880,766
	More than 1 month but less than 3 months	796,847,441 1,060,647,266	584,309,275
	More than 3 months but less than 6 months	1,525,470,413	666,465,951
	More than 6 months	104,627,788	93,042,065
		3,487,592,908	1,940,698,057
9	Fixed assets including premises, furniture and fixtures		
	Conventional and Islamic banking (Note 9.1)	644,249,923	498,428,682
	Off-shore banking unit	-	-
		644,249,923	498,428,682
9.1	Conventional and Islamic banking		
	Cost:		
	Land	182,443,587	182,443,587
	Building	222,101,150	220,493,260
	Furniture and fixtures	238,890,610	132,593,303
	Office equipments	153,224,358	77,239,518
	IT equipments	106,397,561	50,464,479
	Motor vehicles	57,580,385	32,698,525
	Lanca Annual de la descripció de la constante	960,637,651	695,932,672
	Less: Accumulated depreciation Written down value at the end of the year	316,387,728	197,503,990
	(Details are shown in Annexure E)	644,249,923	498,428,682
10	Other assets		
	Conventional and Islamic banking (Note 10.1)	2,245,111,775	1,591,194,574
	Off-shore banking unit		
		2,245,111,775	1,591,194,574
	Less: Due from Off-shore banking unit	180,250	
		2,244,931,525	1,591,194,574

as at and for the year ended 31 December 2008

10.1	Conventional and Islamic banking	2008 Taka	2007 Taka
	Income generating other assets		
	Income receivable (Note-10.2)	250,394,505	65,916,785
	Non-income generating other assets		
	Stock of stamps	964,990	785,220
	Stationery, printing materials, etc.	13,149,266	10,311,976
	Receivable from Rangs Properties (Note 10.3)	20,375,108	-
	Prepaid expenses	2,253,220	2,040,466
	Deposits and advance rent	74,249,679	72,927,366
	Due from Off-shore banking unit	180,250	-
	Branch adjustment accounts (Note 10.4)	78,002,552	38,197,129
	Suspense account (Note 10.5)	71,105,664	28,896,994
	Advance income tax	1,635,800,061	1,319,720,047
	ATM adjustment account	50,373,500	26,862,500
	Receivable against govt. (No Suggestions)	15,840,760	11,215,674
	Receivable against remittance	3,000,000	-
	Sundry debtors	26,523,550	13,001,357
	Excise duty	2,898,670	1,319,060
		2,245,111,775	1,591,194,574

Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

10.2 Income receivable consists of interest accrued on investment and other income. Dividend income shown under income receivable in 2007 for Tk 4,554,000 has been adjusted during the year as per BAS 8.

10.3 Receivable from Rangs Properties

Balance at the beginning of the year	-	-
Receivable from Rangs Properties	31,952,365	-
	31,952,365	
Less: Provision made during the year	11,577,257	
	20,375,108	

Branch adjustment accounts represents outstanding inter-branch and head office transactions (net) which are originated but not responded by the counter transaction at the balance sheet date. The unresponded entries of 31 December 2008 are given below:

Number of unresponded entries		Amount of unresponded entries (Taka)	
Dr	Cr	Dr	Cr
32	14	79,939,497	1,831,418
-	1	-	105,527
-	-	-	-
-	-	-	-
32	15	79,939,497	1,936,945
	entri Dr 32 - - -	Dr Cr 32 14 - 1	entries (Table 2) Dr

10.5 Suspense account consists of advance amount paid for purchasing of fixed assets and advance payment of rent for new branches of the Bank.

100

		2008 Taka	2007 Taka
11	Borrowings from other banks, financial institutions and agents		
	Conventional and Islamic banking (Note 11.1) Off-shore banking unit	1,615,750,000	1,554,000,000
	=	1,615,750,000	1,554,000,000
11.1	Conventional and Islamic banking In Bangladesh (Note 11.1.1)	1,615,750,000	1,554,000,000
	Outside Bangladesh	-	-
	_	1,615,750,000	1,554,000,000
11.1.1	In Bangladesh Secured	-	-
	Un secured:		
	Money at call and on short notice		
	Citibank, N.A.	100,000,000	-
	The Hongkong and Shanghai Banking Corporation Ltd.	30,000,000	-
	Standard Chartered Bank	50,000,000	-
	Rupali Bank Ltd	200,000,000	200,000,000
	Dutch Bangla Bank Ltd	-	250,000,000
	The Premier Bank Ltd	-	50,000,000
	Janata Bank Ltd	200,000,000	300,000,000
	Mutual Trust Bank Ltd	170,000,000	-
	Agrani Bank Ltd	150,000,000	200,000,000
	Bank Al Falah Ltd	130,000,000	150,000,000
	The City Bank Ltd	-	200,000,000
	National Bank Ltd	300,000,000	-
	Commercial Bank of Ceylon Ltd	130,000,000	-
	BASIC Bank Ltd	60,000,000	200,000,000
	IFIC Bank Ltd	20,000,000	-
	-	1,540,000,000	1,550,000,000
	Term borrowing:		
	Bangladesh Bank refinance	75,750,000	4,000,000
	-	75,750,000	4,000,000
	-	1,615,750,000	1,554,000,000
11.2	Maturity-wise grouping		
11.2	Payable on demand	1,540,000,000	1,554,000,000
	•	1,540,000,000	1,554,000,000
	Up to 1 month More than 1 month but within 3 months	-	-
		-	-
	More than 3 months but within 1 year	-	-
	More than 1 year but within 5 years	75,750,000	-
	More than 5 years	-	-
	=	1,615,750,000	1,554,000,000

		2008 Taka	2007 Taka
12	Deposits and other accounts		
	Conventional and Islamic banking (Note 12.1) Off-shore banking unit	42,427,167,076 8,071,910	30,004,088,739
	-	42,435,238,986	30,004,088,739
	Deposits and other accounts		
	Current/Al-wadeeah current accounts and other accounts		
	Deposits from banks		
	Deposits from customers	3,364,529,634	1,674,914,383
	Dillo a sociale	3,364,529,634	1,674,914,383
	Bills payable		
	Deposits from banks	602 605 742	527 096 400
	Deposits from customers	603,605,742	537,086,490
	Savings bank/Mudaraba savings bank deposits	603,605,742	537,086,490
	Deposits from banks	_	_
	Deposits from customers	2,822,379,865	2,247,622,259
	Doposite nom odeternore	2,822,379,865	2,247,622,259
	Fixed deposits/Mudaraba fixed deposits	2,022,010,000	2,2 11,022,200
	Deposits from banks	300,000,000	1,400,000,000
	Deposits from customers	35,344,723,745	24,144,465,607
	•	35,644,723,745	25,544,465,607
		42,435,238,986	30,004,088,739
12.1	Conventional and Islamic banking		
12.1	Deposits from banks (Note -12.1.1)	300,000,000	1,400,000,000
	Deposits from customers (Note-12.1.1)	42,127,167,076	28,604,088,739
	Boposito irom oddicinioro (Noto 12.112)	42,427,167,076	30,004,088,739
12.1.1	Deposits from banks		
	Fixed deposit:		
	The City Bank Ltd	-	400,000,000
	BASIC Bank Ltd	300,000,000	200,000,000
	Sonali Bank Limited	-	200,000,000
	Janata Bank Limited	-	200,000,000
	Southeast Bank Ltd	-	100,000,000
	Standard Bank Ltd Uttara Bank Ltd	-	100,000,000
	The Premier Bank Ltd	_	100,000,000
	The Frenier Bank Eta	300,000,000	1,400,000,000
			1,100,000,000
12.1.2	Deposits from customers		
	Current/Al-wadeeah current accounts and other accounts (Note 12.1.2a)	3,356,457,724	1,674,914,383
	Bills payable (Note 12.1.2b)	603,605,742	537,086,490
	Savings bank/Mudaraba savings deposits	2,822,379,865	2,247,622,259
	Fixed deposits/Mudaraba fixed deposits (Note 12.1.2c)	35,344,723,745	24,144,465,607
		42,127,167,076	28,604,088,739

		2008 Taka	2007 Taka
12.1.2a	Current/Al-wadeeah current accounts and other accounts	1 001 740 005	1 040 400 404
	Current/Al-wadeeah current accounts Other demand deposit - Local currency	1,621,740,925 744,672,018	1,340,483,121
	Other demand deposit - Local currency Other demand deposit - Foreign currencies	646,914,815	97,309,418 46,553,373
	Foreign currency deposits	270,510,336	81,094,636
	Export retention quota	72,619,630	109,473,835
	Export retention quota		1,674,914,383
		3,356,457,724	1,074,914,303
12.1.2b	Bills payable		
	Bills payable - local currency	551,200,021	502,381,456
	Bills payable - foreign currencies	1,681,997	1,678,750
	Demand draft	50,723,724	33,026,284
		603,605,742	537,086,490
12 1 20	Fixed deposits/Mudaraba fixed deposits		
12.1.20	Fixed deposits/Mudaraba fixed deposits	29,228,005,369	18,541,584,122
	Short term deposits	1,904,793,288	1,792,123,616
	Foreign currency fixed deposits	14,947,825	41,609,801
	Scheme deposits	4,196,977,263	3,769,148,068
	'	35,344,723,745	24,144,465,607
12.2	Payable on demand and time deposits		
	a) Demand deposits		
	Current/Al-wadeeah current accounts and other accounts	1,629,813,492	1,340,483,121
	Savings bank/Mudaraba savings deposits	254,014,188	224,762,225
	Foreign currency deposits (Non interest bearing)	270,510,336	237,121,842
	Sundry deposits	730,896,745	11,064,648
	Bills payable	603,605,742 3,488,840,503	537,086,488
		0,400,040,000	2,000,010,024
	b) Time deposits		
	Savings bank/Mudaraba savings deposits	2,568,365,677	2,022,860,034
	Fixed deposits/Mudaraba fixed deposits	29,996,495,369	20,593,758,566
	Short-term deposits	1,904,663,288	1,792,123,616
	Security deposits	13,774,616	13,039,988
	Deposits under schemes	3,728,617,263	2,773,403,922
	Non resident Taka deposits	734,482,270	458,384,289
		38,946,398,483	27,653,570,415
		42,435,238,986	30,004,088,739
12.3	Sector-wise break-up of deposits and other accounts		
	Government	757,085,000	179,498,000
	Deposit money banks	300,000,000	1,400,000,000
	Other public	3,282,525,000	2,166,827,000
	Foreign currencies	1,004,992,606	695,506,132
	Private	37,090,636,380	25,562,257,607
		42,435,238,986	30,004,088,739

40.4		2008 Taka	2007 Taka
12.4 12.4.1	Maturity-wise grouping		
12.4.1	Deposits from banks Payable on demand	_	
	Up to 1 month	_	_
	Over 1 month but within 6 months	300,000,000	1,400,000,000
	Over 6 months but within 1 year	_	-
	Over 1 year but within 5 years	-	-
	Over 5 years	-	-
		300,000,000	1,400,000,000
12.4.2	Customer deposits excluding bills payable		
	Payable on demand	3,039,864,338	2,195,095,220
	Up to 1 month	1,672,287,416	1,103,110,478
	Over 1 month but within 6 months Over 6 months but within 1 year	17,677,422,106	8,465,234,039
	Over 1 year but within 5 years	9,378,008,592 9,389,350,730	8,651,042,689 7,410,689,686
	Over 5 years	374,700,062	7,410,089,080
	Over 5 years	41,531,633,244	28,604,088,739
12.4.3	Bills payable	+1,001,000,2++	20,004,000,700
121110	Payable on demand	603,605,742	_
	Up to 1 month	-	-
	Over 1 month but within 6 months	-	-
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years	-	-
		603,605,742	
		42,435,238,986	30,004,088,739
13	Other liabilities		
	Conventional and Islamic banking (Note 13.1)	5,987,300,730	4,231,355,981
	Off-shore banking unit	180,250	-
		5,987,480,980	4,231,355,981
	Less: Due to conventional and Islamic banking	180,250	
		5,987,300,730	4,231,355,981
13.1	Conventional and Islamic banking		
10.1	Provision for loans and advances/investments (Note 13.2)	1,143,016,334	739,825,414
	Provision for off-balance sheet items (Note 13.3)	164,767,191	70,338,140
	Interest payable	2,180,633,220	1,367,380,568
	Interest suspense account (Note 13.4)	155,862,372	80,994,256
	Provision for income tax (including deferred tax) (Note 13.5)	1,995,717,233	1,698,981,624
	Provision for performance bonus	64,859,102	44,553,700
	Credit card	7,287,243	4,821,054
	Expenditures and other payables	24,734,952	54,968,113
	Withholding income tax, VAT etc.	91,486,885	57,718,260
	Obligation under finance lease (Note 13.6)	158,170,572	111,214,468
	Other provision	765,626	560,384
		5,987,300,730	4,231,355,981

Previous year's figures have been restated due to correction of error.

13.2	Provision for loans and advances/investments	2008 Taka	2007 Taka
	A. General		
	Balance at the beginning of the year Add: Provision made during the year	322,343,000	269,355,290
	On general loans and advances/investments etc.	122,164,962	39,396,710
	On Special Mention Account (SMA)	53,737,000	13,591,000
		175,901,962	52,987,710
	Balance at the end of the year	498,244,962	322,343,000
	B. Specific		
	Balance at the beginning of the year	417,482,414	332,981,600
	Less: Interest waiver during the year	1,516,320	-
		415,966,094	332,981,600
	Add: Recoveries of amounts previously written off	-	-
	Specific provision made during the year for other accounts	228,805,278	84,500,814
		228,805,278	84,500,814
	Balance at the end of the year	644,771,372	417,482,414
	C. Total provision on loans and advances/investments (A+B)	1,143,016,334	739,825,414
13.3	Provision on off-balance sheet items		
	Balance as at 1 January	70,338,140	-
	Add: Provision made during the year (Note-34)	94,429,051	70,338,140
		164,767,191	70,338,140
	Less: Adjustments made during the year		
	Balance as at 31 December	164,767,191	70,338,140
13.4	Interest suspense account		
	Balance as at 1 January	80,994,256	43,779,688
	Add: Amount transferred to "interest suspense" account during the year	252,692,703	153,974,582
		333,686,959	197,754,270
	Less: Amount recovered from "interest suspense" account during the	177,824,587	116,760,014
	year Balance as at 31 December	155,862,372	80,994,256
13.5	Provision for income tax		
	Current tax (Note 13.5.1)	2,061,256,021	1,703,703,227
	Deferred tax (Note 13.5.2)	(65,538,788)	(4,721,603)
		1,995,717,233	1,698,981,624
13.5.1	Provision for current tax		
	Balance as at 1 January	1,703,703,227	998,831,901
	Add: Provision made during the year	790,000,000	704,871,326
		2,493,703,227	1,703,703,227
	Less: Adjustments made during the year	432,447,206	-
	Balance as at 31 December	2,061,256,021	1,703,703,227
	Corporate tax position of the bank has been shown in Annexure-F.		

as at and for the year ended 31 December 2008

13.5.2	Provision for deferred tax	2008 Taka	2007 Taka
	Balance as at 1 January Add: Provision made for deferred tax liabilities	(4,721,603)	58,897,516
	Charged/(credited) to profit and loss account	151,169,830	97,271,800
	Charged/(credited) to revaluation reserve	10,144,578	-
		161,314,408	97,271,800
		156,592,805	156,169,316
	Less: Provision made for deferred tax assets	222,131,593	160,890,919
	Balance as at 31 December	(65,538,788)	(4,721,603)

During the year 2007 an amount of Tk 357,535,376 and Tk 110,796,658 on account of specific provision for loans and advances and interest receivable respectively had not been considered for deferred tax calculation purpose. In the year 2008 the items have been considered and previous year's balance has been restated as per BAS 8.

Deferred tax on temporary difference of depreciation of fixed assets had been calculated using income statement method. In the year 2008 balance sheet method has been used and previous year's balance has been restated as per BAS 8.

Depreciation on leased assets had been considered as temporary difference in calculating deferred tax although such an item is a permanent difference. In the year 2008 this item has been considered and previous year's balance has been restated as per BAS 8.

13.6 Obligation under finance lease

Furniture and fixtures	40,764,151	28,143,060
Equipments	58,307,710	30,362,395
Computer and accessories	34,059,603	22,326,859
Motor vehicles	11,505,775	15,982,154
Building	13,533,333	14,400,000
	158,170,572	111,214,468

13.7 Provision for nostro accounts

As per instructions contained in the circular letter no.FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is not required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. There is no unreconlied debit entries which are outstanding more than 3 months. Details of unreconciled entries are shown in Annexure-N.

14 Share capital

14.1 Authorized capital

	44,500,000 ordinary shares of Taka 100 each	4,450,000,000	4,450,000,000
14.2	Issued, subscribed and fully paid up capital		
	5,637,248 ordinary shares of Taka 100 each issued for cash	563,724,800	563,724,800

11,800,252 ordinary shares of Taka 100 each issued as bonus shares

14.3 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the Bank 2,000,000 ordinary shares of Taka 100 each amounting to Taka 200,000,000 was raised through public offering of shares in 1999.

1,180,025,200

1,743,750,000

831,275,200

1,395,000,000

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Notes to the Financial Statements

as at and for the year ended 31 December 2008

14.4 Capital adequacy ratio

Calculated as per BRPD Circular nos. 10 dated 24 November 2002, 1 dated 19 February 2007, 5 dated 14 May 2007, 3 dated 12 March 2008 and 6 dated 21 May 2008 issued by Bangladesh Bank

2008 2007 Taka Taka

Core capital (Tier-I)

Paid up capital
Share premium
Statutory reserve (Note 15)
Retained earnings (Note 17)

1,743,750,000	1,395,000,000
330	330
1,099,774,786	818,626,330
473,693,749	453,542,631
3 317 218 865	2 667 169 291

Supplementary capital (Tier-II)

General provision maintained against unclassified loan/investments (Note-13.2)	
General provision on off-balance sheet items	
Exchange equalization account	
Asset revaluation reserve Revaluation reserve of HTM securities (up to 50% of the revaluation	
reserves)	

)	498,244,962	322,343,000
	164,767,191	70,338,140
	3,339,553	3,339,553
	-	238,134
	4,181,410	(16,050,235)
	670,533,116	380,208,593
	3,339,553 - 4,181,410	3,339,5 238,1 (16,050,23

,	·
	Total assets including off-balance sheet items
B)	Total risk weighted assets
C)	Required capital (10% of risk weighted assets)

3,987,751,981	3,047,377,883
72,999,175,695	38,436,069,093
35,461,643,251	27,019,087,006
3,546,164,325	2,701,908,701
441,587,656	345,469,182

D)	Surplus (A-C)
Car	oital adequacy ratio

A) Total capital

11.24%	11.28%

	2008		200	<u> </u>
Capital requirement	<u>Required</u>	<u>Held</u>	Required	<u>Held</u>
Tier - I	5.00%	9.35%	5%	9.87%
Tier - II	5.00%	1.89%	5%	1.41%
Total	10.00%	11.24%	10%	11.28%

14.5 Percentage of shareholdings at the closing date

Percentage of shareholdings at the closing date

At 31 Dec 2008

Total	17,437,500	100.00
Investment Companies	225,935	1.30
Foreign Investors	56,387	0.32
Non Resident Bangladeshi	278,450	1.60
Institutions	2,933,351	16.82
Public Shareholders	13,943,377	79.96
Category	No. of shares	%

	At 31 Dec 2007		
Category	No. of shares	%	
Sponsors	7,237,558	51.88	
Non-resident Bangladeshi	291,992	2.09	
General public	3,832,956	27.48	
Financial institutions	2,368,979	16.98	
Investment companies	165,890	1.19	
Foreign Investors	52,625	0.38	
	13,950,000	100.00	

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Bank Asia Limited

Notes to the Financial Statements as at and for the year ended 31 December 2008

Classification of shareholders by holding 14.6

	No. of holders		% of total h	olding
Holding	2008	2007	2008	2007
Less than 500	7,540	6,046	3.35	4.16
500 to 5,000	578	460	4.66	5.24
5,001 to 10,000	60	46	2.47	2.57
10,001 to 20,000	27	21	2.27	2.99
20,001 to 30,000	21	24	3.17	4.99
30,001 to 40,000	14	16	2.79	4.24
40,001 to 50,000	15	9	3.85	2.89
50,001 to 100,000	33	24	14.60	11.69
100,001 to 1,000,000	30	26	62.84	61.23
Over 1,000,000	-	<u>-</u>		-
	8,318	6,672	100.00	100.00

14.7 Name of the Directors and their shareholdings as at 31 December 2008

SI	Name of the directors	Status	Opening position	Closing position
1	Mr. Anisur Rahman Sinha	Chairman	99,985	79,988
2	Mr. Anwarul Amin (depositor and independent director)	Vice Chairman	86	-
3	Mr. A M Nurul Islam	Vice Chairman	32,840	-
	(Representing Sea Fishers Ltd)			
4	Ms. Shameem Choudhury	Director	723,645	578,917
	(Representing Phulbari Tea Estates Ltd.)			
5	Mr. Shafique Uddin	Director	741,331	593,066
	(Representing Mostafa Steel Galvanizing Plant Ltd.)			
6	Mr. Romo Rouf Chowdhury	Director	287,803	230,243
7	Mr. Murshed Sultan Chowdhury	Director	674,576	511,536
8	Mr. Mir Shahjahan	Director	359,250	287,400
9	Ms. Farhana Haq Chowdhury	Director	474,386	379,510
10	Mr. Mohammed Irfan Syed	Director	25,000	-
11	Ms. Mahrina Chowdhury	Director	360,820	288,656
12	Lt. Col. (Retd.) Fariduddin Ahmed	Director	72,656	58,125
	Total		3,852,378	3,007,441

15	Statutory reserve	Taka	Taka
	Balance as at 1 January	818,626,330	545,247,108
	Add: Addition during the year (20% of pre-tax profit)	281,148,456	273,379,222
	Balance as at 31 December	1,099,774,786	818,626,330
16	Revaluation reserve		
	HTM securities (Note 16.1)	8,362,819	(32,100,469)
	HFT securities (Note 16.2)	4,036,110	
		12,398,929	(32,100,469)

2008

2007

		2008	2007
		Taka	Taka
16.1	Revaluation reserve on HTM securities		
	Balance as at 1 January	(32,100,469)	-
	Less: Prior year adjustments		
	Revaluation loss charged to retained earnings	32,100,469	-
	Restated balance as at 1 January		
	Gain from revaluation on investments	15,205,126	-
	Loss on revaluation on investments	-	(32,100,469)
		15,205,126	(32,100,469)
	Less: Deferred tax liabilities	6,842,307	-
	Balance as at 31 December	8,362,819	(32,100,469)
	Balarioo do di o i Booomisoi		(02,100,100)
	During the year 2007 income on treasury bills and bonds had been recog At the end of 2007 such bills and bonds had been revalued using pre recognised as revaluation loss has been reversed with opening balance	esent value method.	Differential amount
16.2	Revaluation reserve on HFT securities		
	Balance as at 1 January	_	_
	Gain from revaluation on investments	7,338,381	_
	dair nom revaluation on investments	7,338,381	
	Less: Deferred tax liabilities	3,302,271	
	Balance as at 31 December	4,036,110	
	Dalance as at 31 December	4,000,110	
47	Detained comings		
17	Retained earnings		
	Balance as at 1 January	453,542,629	288,493,948
	Add: Retained surplus for the year	405,555,589	452,264,681
		859,098,218	740,758,629
	Less: Prior year adjustments:		
	Dividend income (bonus share)	4,554,000	8,216,000
	Revaluation loss	32,100,469	
	1 levaluation 1055	822,443,749	732,542,629
	Less: Issue of bonus share	(348,750,000)	(279,000,000)
	Balance as at 31 December	473,693,749	453,542,629
18	Contingent liabilities		
	Conventional and Islamic banking	10 605 701 070	14,067,628,128
	S Contract of the contract of	19,605,721,972 22,206,660	14,007,020,120
	Off-shore banking unit		14,007,000,100
		19,627,928,632	14,067,628,128
	Acceptance and endorsements		
	Conventional and Islamic banking	5,774,123,763	3,552,424,369
	Off-shore banking unit	-	-
		5,774,123,763	3,552,424,369
	Letters of guarantee		
		0.507.004.074	1 007 100 000
	Conventional and Islamic banking (Note 18.1)	2,527,221,074	1,907,126,382
	Off-shore banking unit		
		2,527,221,074	1,907,126,382
	Irrevocable letters of credit		
	Conventional and Islamic banking (Note 18.2)	8,170,062,404	6,553,533,076
	- · · · · · · · · · · · · · · · · · · ·		0,000,000,070
	Off-shore banking unit	22,206,660	
		8,192,269,064	6,553,533,076

	Bills for collection	2008 Taka	2007 Taka
	Conventional and Islamic banking (Note 18.3) Off-shore banking unit	3,128,753,717	2,049,478,029
		3,128,753,717	2,049,478,029
	Other contingent liabilities		
	Conventional and Islamic banking Off-shore banking unit	5,561,014 -	5,066,272
		5,561,014	5,066,272
	-	19,627,928,632	14,067,628,128
18.1	Letters of guarantee		
	Letters of guarantee (Local)	2,424,706,954	1,804,612,262
	Letters of guarantee (Foreign)	102,514,120	102,514,120
		2,527,221,074	1,907,126,382
	Less: Margin	130,824,191 2,396,396,883	132,763,453
	·	2,390,390,003	1,774,502,929
	Balance for which the bank is contingently liable in respect of guarantee issued favouring:		
	Directors or officers	-	-
	Government	884,527,374	635,486,620
	Banks and other financial institutions	808,710,744	623,723,898
	Others	833,982,956	647,915,864
		2,527,221,074	1,907,126,382
	Less: Margin	130,824,191	132,763,453
		2,396,396,883	1,774,362,929
18.2	Irrevocable letters of credit		
	Letters of credit (Inland)	928,543,464	635,736,982
	Letters of credit (General)	6,867,089,292	5,459,355,839
	Back to back L/C	21,587,306	17,939,591
	Back to back bills	352,842,342	440,500,664
		8,170,062,404	6,553,533,076
	Less: Margin	476,072,727	82,530,886
	- -	7,693,989,677	6,471,002,190
18.3	Bills for collection		
	Outward local bills for collection	1,670,581,810	1,040,834,744
	Outward foreign bills for collection	1,364,744,514	951,500,036
	Inward local bills for collection	63,295,775	46,051,851
	Inward foreign bills for collection	30,131,618	11,091,398
	_	3,128,753,717	2,049,478,029
	=	, ,, -	

10	In a constant and the c	2008 Taka	2007 Taka
19	Income statement		
	Income:	5 570 446 770	4 104 005 000
	Interest, discount and similar income (Note 19.1) Dividend income	5,579,446,770 813,200	4,124,985,008 4,554,000
	Fees, commission and brokerage (Note 19.2)	448,216,892	355,613,661
	Gains less losses arising from dealing in securities	440,210,092	333,013,001
	Gains less losses arising from investment securities	_	_
	Gains less losses arising from dealing in foreign currencies (Note 23)	402,416,270	344,593,067
	Income from non-banking assets	-	-
	Other operating income (Note 24)	200,658,932	129,272,049
	Profit less losses on interest rate changes	-	-
		6,631,552,064	4,959,017,785
	Expenses:		
	Interest/profit paid on deposits, borrowings, etc. (Note 21)	3,739,016,507	2,705,032,734
	Losses on loans and advances/investments	-	-
	Administrative expenses (Note 19.3)	615,052,577	438,881,438
	Other expenses (Note 33)	248,481,016	170,780,411
	Depreciation on banks assets (Note 32)	124,123,391	69,600,428
		4,726,673,491	3,384,295,011
		1,904,878,573	1,574,722,774
19.1	Interest, discount and similar income		
	Interest income/Profit on investments (Note 20)	4,973,111,163	3,662,378,054
	Interest income on treasury bills/bonds	606,335,607	462,406,954
	Interest on debentures (Note 22)		200,000
		5,579,446,770	4,124,985,008
19.2	Fees, commission and brokerage		
	Commission	448,216,892	355,613,661
	Brokerage		
		448,216,892	355,613,661
19.3	Administrative expenses		
	Salaries and allowances (Note 25)	426,820,636	287,802,879
	Rent, taxes, insurance, electricity, etc. (Note 26)	89,832,577	76,353,609
	Legal expenses (Note 27)	3,021,038	4,659,535
	Postage, stamp, telecommunication, etc. (Note 28)	29,192,002	25,380,879
	Stationery, printing, advertisement, etc. (Note 29)	36,713,152	28,472,989
	Managing Director's salary and fees (Note 30)	6,460,000	6,151,500
	Directors' fees (Note 31)	592,000	857,400
	Auditors' fees	287,375	250,000
	Repair of Bank's assets (Note 32)	22,133,797	8,952,647
		615,052,577	438,881,438
20	Interest income/profit on investments		
	Conventional and Islamic banking (Note 20.1)	4,972,995,103	3,662,378,054
	Off-shore banking unit	116,060	
		4,973,111,163	3,662,378,054

00.1	Companie and lalemic booking	2008 Taka	2007 Taka
20.1	Conventional and Islamic banking	0.700.051	F 474 007
	Loans (General)/Musharaka	2,733,251	5,474,327
	Loans against trust receipts	1,548,653,590	1,065,853,588
	Packing credit	4,297,004	3,689,098
	House building loan	20,481,214	19,637,371
	Payment against documents	252,764,501	165,297,383
	Cash credit/Bai-Muajjal	3,607,984	2,887,413
	Overdraft	1,200,380,328	932,171,116
	Consumer credit scheme	204,730,967	90,037,261
	Staff loan	13,860,399	10,293,524
	Local bills purchased	317,025,570	259,230,689
	Foreign bills purchased	7,357,627	2,585,781
	Interest income from credit card	30,130,265	7,169,702
	Term loan- others	529,890,317	394,206,011
	Term loan- industrial	371,346,885	316,138,947
	Demand loan	181,158,557	102,937,171
	Transport loan	53,604,844	52,854,689
	Poverty alleviation loan	4,330,274	1,771,664
	Sachsondo - SME	16,379,634	654,173
	Other loans and advances/investments	19,250,906	13,762,338
	Total interest/profit on loans and advances/investments	4,781,984,117	3,446,652,246
	Interest/profit on balance with other banks and financial institutions	159,338,260	169,373,648
	Interest/profit received from foreign banks	31,672,726	46,352,160
		4,972,995,103	3,662,378,054
21	Interest paid/profit shared on deposits, borrowings etc.		
	Conventional and Islamic banking (Note 21.1)	3,739,016,507	2,705,032,734
	Off-shore banking unit	-	
		3,739,016,507	2,705,032,734
21.1	Conventional and Islamic banking		
	Interest paid/profit shared on deposits		
	Fixed deposits	2,888,079,422	2,085,122,178
	Sanchaya plus	275,065,322	217,943,680
	Savings deposits	149,400,692	119,064,560
	Short-term deposits	107,449,474	80,586,590
	Other deposits	129,905,200	107,781,020
		3,549,900,110	2,610,498,028
	Interest on borrowings		
	Local banks including Bangladesh Bank	189,116,397	94,534,706
	Foreign banks	-	-
		189,116,397	94,534,706
		3,739,016,507	2,705,032,734

Interest on treasury bills 87,671,316 116,775,259 Interest on treasury bonds 510,444,124 314,299,884 100mm from investment in shares 8,200,167 30,929,811 200,000 4,554,000 101 467,160,954 467,160,95	22	Investment income	2008 Taka	2007 Taka
Interest on treasury bonds	22		87 671 216	116 775 250
Income from investment in shares		· · · · · · · · · · · · · · · · · · ·		
Dividend on shares 813,200 4,554,000 Interest on debentures - 200,000 Interest on debentures - 402,000 607,148,807 467,160,954 467,160,954 467,160,954 467,160,954 467,160,954 467,160,954 467,160,954 467,160,954 467,160,955 467,160,9		· · · · · · · · · · · · · · · · · · ·		
Interest on debentures				
Profit on sale of fixed assets			-	
Commission, exchange and brokerage Conventional and Islamic banking (Note 23.1) 850,059,372 700,206,728			<u>-</u>	
Commission, exchange and brokerage		1 1011 011 0010 01 11/100 000000	607,148,807	
Conventional and Islamic banking (Note 23.1) 850,059,372 700,206,728 757,790 770,206,728 757,790 700,206,728 757,790 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,728 700,206,825 700,206				 _
Off-shore banking unit 573,790	23	Commission, exchange and brokerage		
Conventional and Islamic Banking Commission on L/C		Conventional and Islamic banking (Note 23.1)	850,059,372	700,206,728
Conventional and Islamic Banking Commission on L/C 243,825,006 190,925,065 Fees and commission on L/G 37,004,555 31,415,967 Commission on export bills 63,431,593 40,827,218 Commission on export bills 63,431,593 40,827,218 Commission on export bills 63,431,593 40,827,218 Commission on DEC, IBC, etc. 10,777,051 9,197,085 Commission on PC, DD, TT, TC, etc. 8,651,547 8,303,741 Other commission OPC, DD, TT, TC, etc. 2,988,686 1,795,287 447,643,102 355,613,661 Foreign exchange gain 402,416,270 344,593,067 850,059,372 700,206,728 476,643,102 355,613,661 650,240 200,658,932 129,272,049 129,272,049		Off-shore banking unit	573,790	-
Commission on L/C 243,825,006 190,925,065 Fees and commission 17,024,982 16,827,881 Commission on L/G 37,004,555 31,415,967 Commission on L/G 37,004,555 31,415,967 Commission on export bills 63,939,642 56,321,417 Commission on export bills 63,431,593 40,827,218 Commission on OBC, IBC, etc. 10,777,051 9,197,085 Commission on PO, DD, TT, TC, etc. 8,651,587 8,303,741 2,988,688 1,795,287 447,643,102 355,613,661 Foreign exchange gain 447,643,102 355,613,661 Foreign exchange gain 447,643,102 355,613,661 Foreign exchange gain 402,416,270 344,593,067 850,059,372 700,206,728 476,421 200,658,932 700,206,728 476,421 200,658,932 129,272,049 48,240 48,			850,633,162	700,206,728
Commission on L/C 243,825,006 190,925,065 Fees and commission 17,024,982 16,827,881 Commission on L/G 37,004,555 31,415,967 Commission on L/G 37,004,555 31,415,967 Commission on export bills 63,939,642 56,321,417 Commission on export bills 63,431,593 40,827,218 Commission on OBC, IBC, etc. 10,777,051 9,197,085 Commission on PO, DD, TT, TC, etc. 8,651,587 8,303,741 2,988,688 1,795,287 447,643,102 355,613,661 Foreign exchange gain 447,643,102 355,613,661 Foreign exchange gain 447,643,102 355,613,661 Foreign exchange gain 402,416,270 344,593,067 850,059,372 700,206,728 476,421 200,658,932 700,206,728 476,421 200,658,932 129,272,049 48,240 48,				
Fees and commission	23.1	Conventional and Islamic Banking		
Commission on L/G 37,004,555 31,415,967 Commission on export bills 63,939,642 56,321,417 63,939,642 56,321,417 63,939,642 56,321,417 63,939,642 56,321,417 63,939,642 56,321,417 63,939,642 56,321,417 63,939,642 63,939		Commission on L/C	243,825,006	
Commission on export bills		Fees and commission		
Commission on accepted bills				
Commission on OBC, IBC, etc. 10,777,051 8,1587 8,303,741 Other commission on PO, DD, TT, TC, etc. 2,988,686 1,795,287 Foreign exchange gain 447,643,102 355,613,661 Foreign exchange gain 402,416,270 344,593,067 850,059,372 700,206,728 Other operating income 200,593,692 129,272,049 Off-shore banking unit 200,593,692 129,272,049 Off-shore banking unit 200,668,932 129,272,049 Off-shore banking banking 1,203,650 1,304,250 Service and other charges 1,203,650 1,304,250 Service and other charges 144,981,805 87,419,181 Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 Postage/telex/swift 200,593,692 129,272,049 Off-shore banking unit 426,740,416 287,802,879 Off-shore banking unit 80,220 -2 Off-shore ba		·		
Commission on PO, DD, TT, TC, etc. Other commission 2,988,686 1,795,287 2,988,686 1,795,287 447,643,102 355,613,661 440,416,270 344,593,067 850,059,372 700,206,728 247,000,000,000,000,000,000,000,000,000,0				
Other commission 2,988,686 447,643,102 850,059,372 1,795,287 355,613,661 402,416,270 345,593,067 344,593,067 860,059,372 325,613,661 700,206,728 24 Other operating income Value of 55,240 200,593,692 129,272,049 129,272,049 Conventional and Islamic banking (Note 24.1) 200,593,692 129,272,049 200,658,932 129,272,049 129,272,049 24.1 Conventional and Islamic banking Locker charge 1,203,650 1,304,250 Service and other charges 144,981,805 87,419,181 Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 200,593,692 129,272,049 25 Salaries and allowances 287,802,879 Coff-shore banking unit 80,220 287,802,879 Off-shore banking unit 80,220 287,802,879 25.1 Conventional and Islamic banking 80,220 287,802,879 Basic salary 130,174,047 85,836,749 Allowance				
Foreign exchange gain 447,643,102 355,613,661 402,416,270 344,593,067 850,059,372 700,206,728 344,593,067 850,059,372 700,206,728 344,593,067 850,059,372 700,206,728 344,593,067 344,				
Proeign exchange gain 402,416,270 344,593,067 850,059,372 700,206,728 700,		Other commission		· · · · · · · · · · · · · · · · · · ·
24 Other operating income Conventional and Islamic banking (Note 24.1) 200,593,692 129,272,049 24.1 Conventional and Islamic banking Locker charge 1,203,650 1,304,250 Service and other charges 144,981,805 87,419,181 Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 25 Salaries and allowances 200,593,692 129,272,049 25.1 Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 25.1 Conventional and Islamic banking 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226				
Conventional and Islamic banking (Note 24.1) 200,593,692 129,272,049 65,240 - 200,658,932 129,272,049 65,240 - 200,658,932 129,272,049 65,240 - 200,658,932 129,272,049 65,240 - 200,658,932 129,272,049 62,240 - 200,658,932 129,272,049 62,240 6		Foreign exchange gain		
Conventional and Islamic banking (Note 24.1) 200,593,692 129,272,049			<u>850,059,372</u>	700,206,728
Conventional and Islamic banking (Note 24.1) 200,593,692 129,272,049	0.4	Other and the state of the stat		
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24.1 Conventional and Islamic banking				129,272,049
24.1 Conventional and Islamic banking		Oπ-snore banking unit		100 070 040
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Locker charge 1,203,650 1,304,250 Service and other charges 144,981,805 87,419,181 Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 200,593,692 129,272,049 25 Salaries and allowances 287,802,879 Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226	24.1	Conventional and Islamic banking		
Service and other charges 144,981,805 87,419,181 Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 200,593,692 129,272,049 25 Salaries and allowances 200,593,692 129,272,049 25 Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		_	1.203.650	1.304.250
Master card fees and charges 17,819,015 6,082,700 Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 200,593,692 129,272,049 25 Salaries and allowances V Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226				
Postage/telex/SWIFT/ fax recoveries 32,745,478 27,608,288 Non-operating income 3,843,744 6,857,630 200,593,692 129,272,049 25 Salaries and allowances Value Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 2 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226				
Non-operating income 3,843,744 (200,593,692) 6,857,630 (200,593,692) 25 Salaries and allowances Conventional and Islamic banking (Note 25.1) Off-shore banking unit 426,740,416 (287,802,879) 287,802,879 (287,802,879) 25.1 Conventional and Islamic banking Basic salary Allowance Festival bonus Festival bonus Frestival bonus (25,357,846) 124,401,359 (27,4047) (27,4047) 124,401,359 (27,4047)		_		
25 Salaries and allowances Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		_	3,843,744	
Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226			200,593,692	129,272,049
Conventional and Islamic banking (Note 25.1) 426,740,416 287,802,879 Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226				
Off-shore banking unit 80,220 - 426,820,636 287,802,879 25.1 Conventional and Islamic banking 30,174,047 85,836,749 Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226	25	Salaries and allowances		
426,820,636 287,802,879 25.1 Conventional and Islamic banking Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		Conventional and Islamic banking (Note 25.1)	426,740,416	287,802,879
25.1 Conventional and Islamic banking Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		Off-shore banking unit	80,220	<u> </u>
Basic salary 130,174,047 85,836,749 Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226			426,820,636	287,802,879
Allowance 181,319,961 124,401,359 Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226	25.1	Conventional and Islamic banking		
Festival bonus 25,357,846 17,087,811 Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		Basic salary		85,836,749
Gratuity 12,132,703 8,038,303 Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		Allowance	181,319,961	124,401,359
Provident fund contribution 12,932,922 8,586,431 Performance bonus 64,822,937 43,852,226		Festival bonus	25,357,846	17,087,811
Performance bonus <u>64,822,937</u> 43,852,226		Gratuity	12,132,703	8,038,303
		Provident fund contribution		8,586,431
<u>426,740,416</u> <u>287,802,879</u>		Performance bonus		
			426,740,416	287,802,879

26	Rent, taxes, insurance, electricity etc.	2008 Taka	2007 Taka
20	Conventional and Islamic banking (Note 26.1) Off-shore banking unit	89,757,747 74,830	76,353,609
		89,832,577	76,353,609
26.1	Conventional and Islamic banking		
	Rent, rate and taxes	51,323,029	46,042,061
	Insurance	22,949,789	16,245,534
	Power and electricity	15,484,929	14,066,014
		89,757,747	76,353,609
27	Legal expenses		
	Conventional and Islamic banking (Note 27.1)	3,021,038	4,659,535
	Off-shore banking unit		<u> </u>
		<u>3,021,038</u> =	4,659,535
27.1	Conventional and Islamic Banking		
	Legal expenses	2,300,025	4,036,612
	Other professional charges	721,013	622,923
		<u>3,021,038</u> =	4,659,535
28	Postage, stamps, telecommunication etc.		
	Conventional and Islamic banking (Note 28.1) Off-shore banking unit	29,183,882 8,120	25,380,879
	OII-SHOTE DATIKING WHILE	29,192,002	25,380,879
28.1	Conventional and Islamia hanking		
20.1	Conventional and Islamic banking Postage	621,380	206,050
	Telephone - office	9,665,702	9,759,860
	Telephone - residence	9,826	14,099
	Courier	8,089,469	6,537,249
	SWIFT charge	5,751,239	5,209,714
	ATM charge	2,280,345	1,551,731
	Reuter charge	1,355,455	1,245,720
	Internet	1,410,466	852,178
	Telex	<u>-</u>	4,278
		<u>29,183,882</u> =	25,380,879
29	Stationery, printing, advertisements etc.		
	Conventional and Islamic banking (Note 29.1)	36,707,622	28,472,989
	Off-shore banking unit	5,530	
		36,713,152	28,472,989
29.1	Conventional and Islamic banking		
	Office and security stationery	21,375,722	12,462,504
	Calendar, diary, souvenir, etc	3,770,163	4,155,000
	ATM card	543,934	1,031,554
	Books and periodicals	578,998	836,661
	Publicity and advertisement	10,438,805	9,987,270
		36,707,622	28,472,989

30	Managing Director's salary and fees	2008 Taka	2007 Taka
50	Basic salary	3,300,000	2.805.000
	House rent allowance	1,560,000	1,230,000
	Entertainment allowances	180,000	180,000
	Bonus	550,000	280,500
	Utility allowance	240,000	240,000
	House maintenance allowance	300,000	300,000
	Provident Fund	330,000	1,116,000
		6,460,000	6,151,500
31	Directors' fees		
	Directors fees @ Taka 4,000 per Director, per meeting	592,000	857,400
	, , , , , , , , , , , , , , , , , , ,	592,000	857,400
32	Depreciation and repair of Bank's assets		
-	Conventional and Islamic banking (Note 32.1)	146,257,188	78,553,075
	Off-shore banking unit	-	-
		146,257,188	78,553,075
32.1	Conventional and Islamic banking		
	Depreciation - (Details are shown in Annexure E)		
	Owned assets	47,749,868	17,885,232
	Leased assets	76,373,523	51,715,196
		124,123,391	69,600,428
	Repairs		
	Building	2,111,092	1,122,468
	Furniture and fixtures	404,313	386,495
	Equipments	2,115,986	1,508,566
	Computer and accessories Maintenance	3,836,107	1,933,068
	Maintenance	13,666,299	4,002,050 8,952,647
		22,133,797 146,257,188	78,553,075
		=======================================	70,000,070
33	Other expenses		
	Conventional and Islamic banking (Note 33.1)	248,469,466	170,780,411
	Off-shore banking unit	11,550	
		<u>248,481,016</u>	170,780,411
33.1	Conventional and Islamic banking		
	Car expenses	46,416,782	34,350,552
	Contractual service expenses	50,196,528	29,005,636
	Computer expenses	36,484,429	26,210,196
	Other management and administrative expenses	35,359,317	17,594,658
	Entertainment	21,594,690	14,322,190
	Office plantation	3,548,147	3,989,568
	Payment to superannuation fund	2,400,000	1,200,000
	Expense for relocation of Head office	11,577,257	325,873
	Finance charge for lease assets	14,518,189	12,351,214
	Donation and subscription to institutions	15,125,600	22,623,175
	Travelling expenses	6,650,515	5,492,223
	Training and internship	4,388,332	3,109,646
	Directors' travelling expenses	209,680 <u>248,469,466</u>	205,480
			170,700,411

34	Provision for loans/investments	2008 Taka	2007 Taka
	Conventional and Islamic banking (Note 34.1) Off-shore banking unit	499,136,291	207,826,664
		499,136,291	207,826,664
34.1	Conventional and Islamic banking		
	Provision for loans/investments:		
	General	175,901,962	52,987,710
	Specific	228,805,278	84,500,814
		404,707,240	137,488,524
	Provision for off-balance sheet items	94,429,051	70,338,140
		499,136,291	207,826,664
35	Receipts from other operating activities		
	Conventional and Islamic banking (Note 35.1)	200,593,692	129,272,049
	Off-shore banking unit	65,240	<u>-</u>
		200,658,932	129,272,049
35.1	Conventional and Islamic banking		
0011	Locker charge	1,203,650	1,304,250
	Service and other charges	144,981,805	87,419,181
	Master card fees and charges	17,819,015	6,082,700
	Postage/telex/SWIFT/ fax recoveries	32,745,478	27,608,288
	Non-operating income	3,843,744	6,857,630
		200,593,692	129,272,049
36	Payments for other operating activities		
	Conventional and Islamic banking (Note 36.1) Off-shore banking unit	394,540,871 -	277,955,961
	G .	394,540,871	277,955,961
36.1	Conventional and Islamic banking		
	Rent, rates and taxes	91,317,644	70,903,574
	Legal expenses	2,812,038	4,659,535
	Directors' fees	592,000	857,400
	Repair and maintenance	22,133,796	8,952,647
	Postage, stamp, telecommunication, etc	29,192,002	21,802,394
	Other expenses	248,493,391	170,780,411
		394,540,871	277,955,961
37	Earnings per share (EPS)		
-	Net profit after tax (Numerator)	686,704,045	725,643,903
	Number of ordinary shares outstanding (Denominator)	17,437,500	17,437,500
	Earnings per share (EPS)	39.38	41.61
	Earnings per share has been calculated in accordance with BAS		PS)". Earnings per

share for previous year has been restated since the bonus issue is an issue without consideration of cash. It is treated as if it has occurred prior to the beginning of 2008, the earliest period reported. Actual EPS for 2007 was Taka 47.30.

Notes to the Financial Statements

as at and for the year ended 31 December 2008

38 Number of employees

The number of employees receiving remuneration of Taka 36,000 or above per employee per year were 802 (2007: 639).

39 Audit committee

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.12 dated 23 December 2002, the Board of Directors in its meeting held on 18 January 2003 constituted an Audit Committee. Presently, the Audit Committee members are:

SI. <u>No.</u>	Name	Status in the Board	Status in the Audit Committee	Educational qualification
1.	Mr. A M Nurul Islam	Vice Chairman & Director	Chairman of the Audit Committee	BA (Hons), MA
2.	Mr. Anwarul Amin	Vice Chairman & Director	Member of the Audit Committee	Graduate from West Minister Institute of Banking, UK.
3.	Mr. Murshed Sultan Chowdhury	Director	Member of the Audit Committee	MBA from USA

The Company Secretary of the Bank acts as the Secretary of the Committee.

No. of meeting		<u>Date</u>
1.	32 nd Meeting	19 February 2008
2.	33 rd Meeting	20 March 2008
3.	34 th Meeting	5 May 2008
4.	35 th Meeting	11 August 2008

In the meetings among others the Committee discussed the following issues:

- 1. Audit and Inspection report of the internal, external and Bangladesh Bank inspection team and progress towards addressing the lapses identified in those reports to ensure internal control and for development of a compliance culture in the bank.
- 2. Health Certificate and Summary of the Audit and Inspection report of the Bank for the year 2006 prepared by the Internal Control and Compliance Department as per Bangladesh bank Requirement.
- 3. Financial report with explanations from the management, internal and external auditors, when necessary.
- 4. Examine the organization structure of Audit Department, its functions, efficiency, effectiveness, resources and ensure no hindrance and unjustified restrictions are made.
- 5. Recommend to the Board for appointing external auditors.
- 6. Evaluate whether the banking operations are conducted in conformity with regulations and guidelines of the regulatory authorities as well as Board of Directors of the Bank.

Notes to the Financial Statements

as at and for the year ended 31 December 2008

40 Related party transactions

As at the balance sheet date, the Bank had no transaction with the related party(ies) as defined in the BRPD Circular No. 14 issued by the Bangladesh Bank on 25 June 2003.

41 Coverage of external audit

The external auditor of the Bank, M/s Rahman Rahman Huq, Chartered Accountants worked about 2,350 man hour. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

42 Share trading

The bank traded its ordinary shares in CDBL on 30 January 2006. The closing market price on 31 December 2008 was Tk. 383.25 at DSE and Tk. 382.25 at CSE.

43 General

Highlights on the overall activities of the bank have been furnished in Annexure - A.

44 Events after the balance sheet date

The Board of Directors in its 151st meeting held on 12 April 2009 has recommended bonus share @ 23% subject to the approval of the shareholders at the next Annual General Meeting.

Annexure-A

Highlights on the overall activities as at and for the year ended 31 December 2008

SI. no.	Particulars	2008	2007
1	Paid-up capital	1,743,750,000	1,395,000,000
2	Total capital	3,987,751,981	3,047,377,883
3	Capital surplus	441,587,656	345,469,182
4	Total assets	53,371,247,063	38,427,853,094
5	Total deposits	42,435,238,986	30,004,088,739
6	Total loans and advances / investments	39,974,998,635	28,456,944,137
7	Total contingent liabilities and commitments	19,627,928,632	14,067,628,128
8	Credit deposit ratio	94%	95%
9	Percentage of classified loans / investments against		3373
	total loans and advances / investments	2.68%	2.44%
10	Profit after tax and provision	686,704,045	725,643,903
11	Amount of classified loans/investments during current year	1,072,669,356	695,664,609
12	Provisions kept against classified loans / investments	644,771,372	417,482,414
13	Provision surplus/(deficit) against classified loans / investments	681,701	-
14	Cost of fund	9.84%	9.55%
15	Interest earning assets	50,732,279,870	36,404,146,623
16	Non-interest earning assets	2,638,967,193	2,023,706,471
17	Return on investment (ROI)	13.88%	11.09%
18	Return on assets (ROA)	1.50%	2.11%
19	Income from investment	607,148,807	467,160,954
20	Capital adequacy	11.24%	11.28%
21	Stock Dividend	23%	25%
22	Earnings per share (Taka)	39.38	41.61
23	Net income per share (Taka)	39.38	41.61
24	Price earning ratio (times)	9.73	12.13

Bank Asia Limited

Notes to the Financial Statements as at and for the year ended 31 December 2008

Annexure-B

Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2008

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Assets:						
Cash in hand	2,968,409,133	-	-	-	-	2,968,409,133
Balance with other banks and financial institutions	364,843,498	-	1,040,000,000	-	-	1,404,843,498
Money at call and short notice	-	-	-	-	-	-
Investments	499,522,834	-	-	3,147,942,607	2,486,348,908	6,133,814,349
Loans and advances / investments	2,208,608,892	8,894,146,265	18,083,500,560	6,700,620,461	4,088,122,457	39,974,998,635
Fixed assets including premises, furniture and fixtures	7,550,400	15,100,800	67,953,600	362,419,200	191,225,923	644,249,923
Other assets	778,877	1,844,401	1,111,524,529	38,481,469	1,092,302,249	2,244,931,525
Non banking assets						
Total assets (A)	6,049,713,634	8,911,091,466	20,302,978,689	10,249,463,737	7,857,999,537	53,371,247,063
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,540,000,000	-	-	75,750,000	-	1,615,750,000
Deposits	5,315,757,496	8,440,275,628	18,915,155,070	9,389,350,730	374,700,062	42,435,238,986
Provision and other liabilities	644,677,262	291,731,131	725,050,272	274,351,068	4,051,490,997	5,987,300,730
Total liabilities (B)	7,500,434,758	8,732,006,759	19,640,205,342	9,739,451,798	4,426,191,059	50,038,289,716
Net liquidity gap (A - B)	(1,450,721,124)	179,084,707	662,773,347	510,011,939	3,431,808,478	3,332,957,347

Annexure-C

Balance with other banks-Outside Bangladesh (Nostro Account) as at 31 December 2008

			2008	38			2007	
Name of the Bank	Account type	Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Interest bearing:								
Standard Chartered Bank, New York	8	OSN	758,153.31	70.00	53,070,732	1,021,375.96	70.00	71,496,317
Citibank NA, London	8	EURO	9,876.28	90.00	888,865	925.59	90.00	83,303
Citibank NA, New York	8	OSN	8,097.87	70.00	566,851	424,166.20	70.00	29,691,634
Citibank NA, London	8	GBP	1,884.45	130.00	244,979	45,833.29	130.00	5,958,328
Mashreqbank psc, New York	8	OSN	22,127.91	70.00	1,548,954	14,427.21	70.00	1,009,905
National Westminster Bank plc, London	8	GBP	26,149.88	130.00	3,399,484	3,368.46	130.00	437,900
Habib American Bank, New York	8	OSN	616,886.00	70.00	43,182,020	124,553.24	70.00	8,718,727
Standard Chartered Bank, Mumbai	8	ACU	365,426.87	70.00	25,579,881	165,297.13	70.00	11,570,799
					128,481,766			128,966,913
Non-interest bearing:								
AB Bank Ltd, Mumbai	8	ACU	395,363.36	70.00	27,675,435	80,732.19	70.00	5,651,253
American Express Bank Ltd, New York	8	OSN	17,400.11	70.00	1,218,008	477,767.66	70.00	33,443,736
Credit Suisse First Boston, Zurich	8	붕	1,366.45	20.00	68,323	6,353.20	20.00	317,660
Bank of Nova Scotia, Zurich	8	CAD	5,920.60	25.00	325,633	3,996.95	25.00	219,832
Commerzbank AG, Frankfurt	8	EURO	6,062.80	90.00	545,652	174,233.97	90.00	15,681,057
Habib Metropolitan Bank Ltd, Karachi	8	ACU	120,092.92	70.00	8,406,504	6,299.49	70.00	440,964
Hypo Vereinsbank, Munich	8	EURO	1,640.51	90.00	147,646	788.41	90.00	70,957
HSBC, New York	8	OSN	383,954.99	70.00	26,876,849	812,798.04	70.00	56,895,863
HSBC Australia Ltd, Sydney	8	AUD	5,418.42	20.00	270,921	4,366.08	20.00	218,304
ICICI Bank Ltd, Mumbai	8	ACU	1,058,010.46	70.00	74,060,732	17,923.89	70.00	1,254,672
Bhutan National Bank Ltd, Thimphu	00	OSN	120,400.00	70.00	8,428,000	42,850.00	70.00	2,999,500
Muslim Commercial Bank Ltd, Colombo	8	ACU	38,907.74	70.00	2,723,542	352,822.76	70.00	24,697,593
Muslim Commercial Bank Ltd, Karachi	8	ACU	138,925.80	70.00	9,724,806	99,880.00	70.00	6,991,600
Nepal Bangladesh Bank, Kathmandu	8	ACU	123,420.32	70.00	8,639,422	1	1	1
Wachovia Bank N.A, New York	8	OSN	40,237.44	70.00	2,816,621	1	1	ľ
UBAF, Tokyo	CD	JPY	1,934,958.00	0.55	1,064,227	1,466,032.73	0.55	806,318
					172,992,321 301,474,087			149,689,309 278,656,222

Bank Asia Limited

Investment in Shares

as at 31 December 2008

SI. no.	Name of the company	Type of shares	Face value	No. of shares including bonus shares	Cost of holding	Average cost	Quoted rate per share as at 31.12.2008	Total market value as at 31.12.2008
			<u>Taka</u>		<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
	Quoted							
1	IFIC Bank Limited *	Α	100	430,000	250,002,000	581.40	1,188.75	511,162,500
	<u>Unquoted</u>							
1	Industrial and Infrastructure Development Finance Co. Ltd.		100	227,700	10,000,000	43.92	-	-
	Central Depository Bangladesh Ltd.		1,000,000	2	2,000,000	1,000,000	-	-
3	Era-Infotech Ltd.		100	3,837	383,700	100	-	-
				231,539	12,383,700		=	_

^{*} There is a buy back agreement between 'previous holder of shares of IFIC Bank Limited' and 'the Bank Asia Limited' that the shares will be purchased by the previous holder of shares at a pre-determined price at a future date. The income of which has been recognised in the profit and loss account on accrual basis.

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2008

Particulars	Cost Balance as at 1 January 2008	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2008	Rate of dep.	Depreciation Balance as at 1 January 2008	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2008	Written down value as at 31 December 2008
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Own assets										
Land	182,443,587	1	1	182,443,587	0	1	1	1	1	182,443,587
Building	166,902,242	39,198,908	,	206,101,150	2	14,135,672	12,184,608	1	26,320,280	179,780,870
Furniture and fixture	15,991,122	55,736,640	,	71,727,762	20	12,075,865	14,345,552	ı	26,421,417	45,306,345
Equipments	17,019,667	30,003,552	1	47,023,219	20	13,898,942	9,404,644	ı	23,303,586	23,719,633
Computer and accessories	5,010,052	29,183,409	,	34,193,461	20	2,487,256	6,838,692	ı	9,325,948	24,867,513
Motor vehicles	399,000	24,881,860	1	25,280,860	20	399,000	5,375,372	ı	5,774,372	19,506,488
	387,765,670 179,004,369	179,004,369		566,770,039		42,996,735	48,148,868	1	91,145,603	475,624,436
Leased assets										
Building	16,000,000	1		16,000,000	Ω	2,400,000	800,000	1	3,200,000	12,800,000
Furniture and fixture	116,602,181	50,560,667		167,162,848	20	69,434,726	33,432,570	1	102,867,296	64,295,552
Equipments	60,219,851	45,981,288		106,201,139	20	31,746,666	21,240,228	ı	52,986,894	53,214,245
Computer and accessories	45,454,427	26,749,673		72,204,100	20	27,159,390	14,440,820	1	41,600,210	30,603,890
Motor vehicles	32,299,525	1	,	32,299,525	20	18,127,820	6,459,905	ı	24,587,725	7,711,800
	270,575,984 123,291,628	123,291,628		393,867,612		148,868,602	76,373,523	1	225,242,125	168,625,487
As at 31 December 2008	658,341,654	302,295,997	-	960,637,651	. 11	191,865,337	124,522,391	1	316,387,728	644,249,923
As at 31 December 2007	611.375.671	84,557,001		695,932,672		127,903,562	69,600,428	ı	197,503,990	498,428,682

Bank Asia Limited

Bank Asia Limited

Statement of tax position as at 31 December 2008

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order	Excess/ (Shortage of provision)	Status of assessment/ pending with
		<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	
2000	2001-2002	2,000,000	7,080,931	(5,080,931)	Final
2001	2002-2003	42,626,674	38,156,227	4,470,447	Taxes Appellate Tribunal
2002	2003-2004	91,950,000	83,933,056	8,016,944	Final
2003	2004-2005	165,000,000	158,197,316	6,802,684	Taxes Appellate Tribunal
2004	2005-2006	166,807,728	180,132,052	(13,324,324)	Taxes Appellate Tribunal
2005	2006-2007	220,089,576	273,921,209	(53,831,633)	Final
2006	2007-2008	491,344,722	433,037,008	58,307,714	Assessment completed
2007	2008-2009	707,121,563	707,990,638	(869,075)	Return filed with DCT

Details of Large Loan as at 31 December 2008

	<u>2008</u>	<u>2007</u>
Number of clients	17	18
Amount of outstanding advances (Taka)	93,581	77,007
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise breakup is as follows:

Figure in Lac

SI. No.	Name of clients		utstanding as cember 2008			tstanding as ember 2007	
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Shasha Denims Ltd	-	-	-	1,220	2,779	3,999
2	Nitol Motors Limited	-	-	-	3,060	261	3,321
3	Abdul Monem Ltd	2,972	1,678	4,650	2,941	488	3,429
4	Mother Textile Mills Ltd	-	-	-	2,886	271	3,157
5	Desh Baundhu Sugar Mills Ltd	1,466	2,864	4,330	1,093	4,374	5,467
6	Meghna Group	3,257	2,742	5,999	2,808	4,453	7,261
7	Comptex BD Limited	-	-	-	2,213	1,688	3,901
8	Western Marine Group	3,298	1,029	4,327	-	-	-
9	Karim Spinning Mills Ltd	3,348	1,432	4,780	3,243	388	3,631
10	Apex Adalchi Footwear Ltd.	3,297	4,577	7,874	-	-	-
11	PHP Cold Rolling Mills Ltd	509	3,853	4,362	1,720	3,500	5,220
12	Sheema Automatic Re-Rolling Mills Ltd.	1,813	3,897	5,710	-	-	-
13	H Steel Re-Rolling Mills and Ship Breaking	4,450	3,066	7,516	3,305	2,153	5,458
14	Abul Khair Steel Industries Ltd	3,002	4,516	7,518	2,397	4,350	6,747
15	KDS Packaing Industries Ltd	3,004	1,601	4,605	-	-	-
16	MEB Group	3,994	2,666	6,660	1,705	1,947	3,652
17	Jeans Express Ltd	1,180	3,418	4,598	918	3,255	4,173
18	B. S. R. M. Steels Ltd	3,257	4,326	7,583	-	-	-
19	Shama Impex	1,908	2,651	4,559	-	-	-
20	Emirates Cement Bangladesh Ltd	3,281	1,234	4,515	1,938	2,104	4,042
21	Yasir Enterprise	-	-	-	3,240	209	3,449
22	A K Corporation	-	-	-	3,329	-	3,329
23	B. S. M Syndicate	-	_	-	3,134	137	3,271
24	S R Impex	-	-	-	1,568	1,932	3,500
25	Pakhiza Enterprise	3,995	-	3,995	-	-	-
	Total	48,031	45,550	93,581	42,718	34,289	77,007

Annexure-H Names of Directors and their interest in different entities

SI. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc
1.	Mr. Anisur Rahman Sinha	Chairman	Opex Garments Ltd
			Sinha Designers Ltd
			Sinha Washing Plant Ltd
			Sinha Sp. Denim Washing Plant Ltd
			Opex Apparels Ltd
			Opex Industries Ltd
			Sinha Industries Ltd
			Opex Style Wear Ltd
			Sinha Styel Wears Ltd
			Opex Apparels Accessories Ltd
			Opex C & F Ltd
			Ornate Garments Ltd
			Jaycee Fashions (PVT) Ltd
			Opex Fashions Ltd
			Opex Sweaters Ltd
			Opex Ready Wears Ltd
			Ornate Apparels Ltd
			Miti Apparels Ltd
			Sinha Apparels Accessories Ltd
			Opex Washing Plant Ltd
			Sinha Knitting Ltd
			Pritha Apparels Ltd
			Pritha Fashions Ltd
			Sinha Textiles Ltd
			Sinha Garments & Textile Ltd
			Opex Designers Ltd
			Sinha Dyeng & Finishing Ltd
			Sinha Yarn Dyeng & Fabrics Ltd
			Sinha Rotor Spinning Ltd
			Sinha Spinning Ltd
			Sinha Denim Ltd
			Sinha Rope Denim Ltd
			Sinha Home Furnishings Ltd
			Sinha Specialised Cold Storage
			Sinha Agro Based Industries
			Mirpur Packaging Ltd
			Sinha Poly Industries Ltd
			Sinha Packaging Ltd
			Lafarge Surma Cement Ltd
			National Telecom Ltd
			Medler Fashions Ltd
ı			Medler Apparels Ltd
l			Medlar Accessories Ltd

SI. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc
			Enterprise Asia Ltd Venture Energy Resources Ltd Sinha Apparels Ltd Sinha Fashions Ltd Medlar Garments Ltd Sinha Power Generation Ltd Spencer Apparels Ltd J.K Fashions Ltd Sinha Printing Press Sattar Jute Mills Ltd Sinha Denimwear Ltd Sinha Auto Spinning Mills Ltd Supreme Knitwear Ltd Supreme Smartwear Ltd
2.	Mr. Anwarul Amin	Vice Chairman	Nil
3.	Mr. A M Nurul Islam	Vice Chairman	Nil
4.	Mr. Romo Rouf Chowdhury	Director	Rangs Limited Rangs Workshop Limited Rangs Industries Limited Agro Food Services Ltd Rancon Motors Limited Ranks Union Limited Rancon Engineering Limited Ranks Telecom Limited Rangs Motors Ltd. Shield Security Services Limited Ranks ITT Limited Bengal Laboratories Ltd Appollo Steel Mills Limited Rangs Pharmaceuticals Ltd Rancon Services Limited Bangla Industrial Trading Co.Ltd Rancon Automobiles Ltd Rangs Properties Ltd Rangs Properties Ltd Rancon Autos Ltd
5.	Ms. Shameem Choudhury (Representing Phulbari Tea Estates Ltd)	Director	M. Ahmed Tea & Lands Co. Ltd Phulbari Tea Estates Ltd M. Ahmed Cold Storage Ltd Premier Dyeing & Calendaring Ltd Anandaniketan Ltd
6.	Mr. Shafique Uddin (Representing Mostafa Steel Galvanizing Plant Ltd)	Director	Mostafa Vegetable Oil Industries Ltd Mostafa Steel Galvanizing Plant Ltd Mostafa Re-Rolling Mills Ltd Mostafa Garments Industries Ltd Rahman Rexene Industries Ltd

SI. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc
			Mostafa Steels Ltd
			Mostafa Coconut Oil Industries Ltd
			R.R. Coconut Oil Industries Ltd
			Rahman Ship Breakers Ltd
			Mostafa Artificial Leather Industries Ltd
			M. M. Ship Breakers Ltd
			M. M. Vegetable Oil Products Ltd
			Mostafa Shrimp Products Ltd
			Hefazatur Rahman & Co. Ltd
			Mostafa Organic Shrimp Products Ltd
			M. M. Salt Industries Ltd
			Euro Shipping Ltd
			Fair Ways Corporation Ltd
			M. M. Corporation
			Monowara Corporation
			S. R. Corporation
			Ibrahim Corporation
			Mostafa Corporation
			M. M. Steel Galvanizing Plant Ltd
			Mostafa Paper Products Ltd
			Soudia Transport Service
7.	Mir Shajahan	Director	ZMS Fashions
8.	Mr. Faisal Samad	Alternate	Savar Textiles Ltd
		Director	Surma Garments Ltd.
			Supasox Ltd.
9.	Mr. Murshed Sultan Chowdhury	Director	Rangs Pharmaceuticals Ltd
10.	Lt. Col. (Retd) Fariduddin Ahmed	Director	Opex Garments Ltd
11.	Ms. Farhana Haq Chowdhury	Director	Rangs pharmaceuticals Ltd
			Rangs Telecom Ltd
			Rancon Autos Ltd
12.	Mr. M.Mustafizur Rahman	Alternate Director	Fareast Finance & Investment Ltd. Credit Rating Agency of Bangladesh Prime Asia University

Distribution of Profit on Deposit under Islamic Banking Operation

To meet the growing demand of our religious Muslim people Bank Asia Limited started its Islamic Banking operation through opening of Islamic Windows at its Uttara Branch on 24.12.2008. The operation of Islamic Window is totally different from the Bank's conventional operation as the former operate their business on the basis of Islamic Shariah. Income sharing module, a unique model of Bank Asia Limited, is a vital element of Islamic Banking operation. The management of the Bank already planned to open more Windows in different conventional branches to reach the Islamic Banking services at the door step of mass people.

According to our Income Sharing Module, there will be pre-defined Investment Income Sharing Ratio (ISR) for each type of depositor and the Bank. ISR would determine the portion of distributable investment income to each type of depositor and the Bank. For example, the ISR of 70: 30 would mean that 70% of distributable income is to be shared by the concerned depositors and the rest 30% to be shared by the Bank as Management Fee and/or otherwise. Investment Income Sharing Ratios between each type of Mudaraba depositors and the Bank (Mudarib) to be duly disclosed at the time of Mudaraba contract (Account opening) or at the beginning of the concerned period. Profit rate would be emerged at actual, as derived from the income fetched from deployment of the concerned fund. In other words, rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the amount of profit distributed to the depositors according to their respective agreed ratios.

Bank Asia Limited declared following ISR for their depositors in the year 2008:

Distributable Investment Income Sharing Ratio (ISR)

Types of Mudaraba Deposit	Client	Bank
Mudaraba Term Deposit Account(MTDA) 12 month	80%	20%
Mudaraba Term Deposit Account(MTDA) 24 month	83%	17%
Mudaraba Term Deposit Account(MTDA) 36 month and above	85%	15%
Mudaraba Special Notice Deposit Account(MSND)	35%	65%
Mudaraba Savings Account (MSA)	50%	50%
Mudaraba Savings Account (MSA Staff)	50%	50%
Mudaraba Hajj Savings Scheme (MHSA)	90%	10%
Mudaraba Deposit Pension Scheme (MDPS)	85%	15%

Islamic Banking Unit Balance Sheet

as at 31 December 2008

	<u>2008</u>	<u>2007</u>
PROPERTY AND ASSETS	<u>Taka</u>	<u>Taka</u>
Cash:		
Cash in hand (including foreign currencies)	585,558	-
Balance with Bangladesh Bank its agent bank(s)	-	-
(Including foreign currencies)	585,558	-
Balance with other banks and financial institutions		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
Money at call and on short notice	-	-
Investments (Including bills):		
General investments etc.	-	-
Bills purchased and discounted	-	-
	-	-
Fixed assets including premises, furniture and fixtures	- 0.000.050	-
Other assets	8,682,059	-
Non - banking assets Total assets	9,267,617	-
Total assets	9,207,017	
LIABILITIES AND CAPITAL		
Liabilities:		
Borrowings from other banks, financial institutions and agents	-	-
Deposits and other Accounts :		
Al-wadeeah current deposits and other accounts, etc.	704,450	-
Bills payable	200	-
Mudaraba savings deposits	8,432,959	-
Mudaraba term deposits	130,000	-
Other lie hilling	9,267,609	-
Other liabilities Total liabilities	9,267,617	
Total habilities	9,207,017	
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	_	_
Irrevocable letters of credit	-	_
Bills for collection	2,250,000	_
Other contingent liabilities	-	-
	2,250,000	
Other commitments:		
Total Off-Balance Sheet items including contingent liabilities	2,250,000	

Annexure-K

Islamic Banking Unit Profit and Loss Account for the period ended 31 December 2008

iei ilie pelieu eliudu eli	2000	
	2008	2007
	<u>=====</u> <u>Taka</u>	Taka
	<u>rana</u>	<u>rana</u>
Investment income	_	-
Profit paid on deposits, borrowings, etc.	_	_
Net investment income		
The time defined in the time of time of the time of the time of time of the time of time of time of the time of time o		
Commission, exchange and brokerage	-	-
Other operating income	-	-
Total operating income		
Salaries and allowances	85,401	
	18,310	-
Rent, taxes, insurance, electricity, etc.	18,310	-
Legal expenses	-	-
Postage, stamp, telecommunication, etc.	7,000	-
Stationery, printing, advertisement, etc.	7,023	-
Depreciation and repair of Bank's assets	-	-
Other expenses	-	-
Total operating expenses	110,734	
Profit / (loss) before provision	(110,734)	-
Provision for loans and advances / investments		
Specific provision	-	-
General provision	-	-
	-	-
Provision for diminution in value of investments	-	-
Other provision	-	-
Total provision	<u> </u>	<u> </u>
Total profit/(loss) before taxes	(110,734)	<u> </u>

			Annexure-L
Off-shore Bank Balance Sheet as at 31			
	<u>2008</u>	2008	2007
PROPERTY AND ASSETS	<u>USD</u>	<u>Taka</u>	<u>Taka</u>
Cash			
In hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s)	-	-	-
(including foreign currencies)			_
Balance with other banks and financial institutions	-	-	-
In Bangladesh	-	-	-
Outside Bangladesh	126,100	8,827,000	-
	126,100	8,827,000	-
Loans and advances			
Loans, cash credits, overdrafts, etc.	-	-	-
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	-	-	-
Other assets	-	_	_
Non - banking assets	_	_	_
Total assets	126,100	8,827,000	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and	-	-	
agents Deposits and other accounts			
Current deposits	115,313	8,071,910	-
Bills payable	-	-	-
Savings bank deposits	-	-	-
Fixed deposits	-	-	-
Bearer certificate of deposit	-	-	-
	115,313	8,071,910	-
Other liabilities	2,575	180,250	-
Total liabilities	117,888	8,252,160	_
Capital / Shareholders' equity	<u> </u>	<u> </u>	
Paid up capital	-	-	-
Statutory reserve	-	-	-
Other reserve	-	-	-
Deficit in profit and loss account / Retained earnings	8,212	574,840	-
Total Shareholders' equity	8,212	574,840	
Total liabilities and Shareholders' equity	126,100	8,827,000	-

OFF- BALANCE SHEET ITEMS	<u>2008</u> <u>USD</u>	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
Contingent liabilities			
Acceptances and endorsements	-	-	-
Letters of guarantee	-	-	-
Irrevocable letters of credit	317,238	22,206,660	-
Bills for collection	-	-	-
Other contingent liabilities	317,238	22,206,660	-
Other commitments	317,200	22,200,000	-
Documentary credits and short term trade -related transactions	_	_	_
Forward assets purchased and forward deposits placed	_	_	_
Undrawn note issuance and revolving underwriting facilities	_	_	_
Undrawn formal standby facilities, credit lines and other	_	_	_
commitments Liabilities against forward purchase and sale	_	_	_
Other commitments	_	_	_
		-	
	317,238	22,206,660	
Other memorandum items			
Value of travellers' cheques in hand	-	-	-
Value of Bangladesh Sanchaya parts in hand	-	-	-
Total Off-Balance Sheet items including contingent liabilities	317,238	22,206,660	

Bank Asia Limited

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Off-shore Banking Unit Profit and Loss Account for the period ended 31 December 2008

	2008 <u>USD</u>	<u>2008</u> <u>Taka</u>	<u>2007</u> <u>Taka</u>
Interest income / profit on investments	1,658	116,060	-
Interest / profit paid on deposits and borrowings, etc.	-	-	-
Net interest / net profit on investments	1,658	116,060	-
Commission, exchange and brokerage	8,197	573,790	-
Other operating income	932	65,240	-
Total operating income (A)	10,787	755,090	-
Salaries and allowances	1,146	80,220	-
Rent, taxes, insurance, electricity, etc.	1,069	74,830	-
Postage, stamp, telecommunication, etc.	116	8,120	-
Stationery, printing, advertisements, etc.	79	5,530	-
Auditors' fees	-	-	-
Depreciation and repair of Bank's assets	-	-	-
Other expenses	165	11,550	-
Total operating expenses (B)	2,575	180,250	-
Profit / (loss) before provision (C=A-B)	8,212	574,840	-
Provision for loans and advances / investments			
Specific provision	-	-	-
General provision	-	-	-
Provision for diminution in value of investments	-	-	-
Other provision	-	-	-
Total provision (D)			
Total profit / (loss) before taxes (C-D)	8,212	574,840	

Statement of outstanding unreconciled entries as at 31 December 2008

<u>s</u>			As per	As per local book			As per correspondents' book	ondent	s' book
Š	Period of unreconciliation	Δ	Debit entries	Crec	Credit entries	Deb	Debit entries	õ	Credit entries
		O	OSD	No.	OSD	No.	OSN	No.	OSD
-	Upto 3 months	15	1,012,159.62	216	3,110,324.46	55	418,390.31	136	2,430,966.72
2	2 More than 3 months but less than 6 months	-	ı	25	40,187.21	1	-	-	-
က	More than 6 months but less than 9 months	-	-	-	-	-	-	-	-
4	More than 9 months but less than 12 months	-	-	-	1	-	-	-	-
2	5 More than 12 months	ı	ı	1	ı	ı	ı	1	ı
	Total	15	1,012,159.62	241	3,150,511.67	55	418,390.31	136	2,430,966.72

Bank Asia Limited

Reconciliation between Bangladesh Bank statement and Bank's book

The reconciling items relates to clearing of the following:

- a. Bangladesh Bank cheques
- b. Foreign currency demand drafts
- c. Government bonds

I ACOL CURRANCY :			
		CHIPPONCY	•
Local currency:	LUCAI	Cullelicy	

Bangladesh Bank, Dhaka Bangladesh Bank, Chittagong Bangladesh Bank, Sylhet Bangladesh Bank, Khulna Bangladesh Bank, Rajshahi Bangladesh Bank, Bogra

s per Bangladesh Bank Statement
BDT
1,971,719,807.92
83,971,093.69
7,287,838.90
14,412,014.62
1,666,402.77
2,834,241.10
2,081,891,399.00

As per Bank's General ledger
DDT
BDT
1,938,112,045.42
83,971,293.69
7,287,838.90
14,412,014.62
1,666,402.77
2,834,241.10
2,048,283,836.50
·

Reconciling
Difference
BDT
33,607,762.50
(200.00)
-
-
-
-
33,607,562.50

Bank credited but not debited by Bangladesh Bank Bank debited but not credited by Bangladesh Bank Bangladesh Bank credited but not debited by Bank Bangladesh Bank debited but not credited by Bank

33,607,562.50
508,750.00
(300.00)
35,174,362.50
(2,075,250.00)
33,607,562.50

Foreign currency:

USD Clearing account

As per Bangladesh Bank Statement
USD
8,932,909.28
8.932.909.28

As per Bank's	general ledger
USD	BDT
8,470,523.53	592,936,647.39
8,470,523.53	592,936,647.39

Reconciling difference
USD
462,385.75
462,385.75

Bank credited but not debited by Bangladesh Bank
Bank debited but not credited by Bangladesh Bank
Bangladesh Bank credited but not debited by Bank
Bangladesh Bank debited but not credited by Bank

40	2,385.75
1,35	3,185.69
(1,093	3,503.43)
26	8,561.84
(65	5,858.35)
46	2,385.75

	As per Bangladesh Bank Statement	As per Bank's general ledger		Reconciling difference
	GBP	GBP	BDT	GBP
GBP Clearing account	8,298.41	7,656.37	995,328.10	642.04
	8,298.41	7,656.37	995,328.10	642.04
Bank credited but not de	bited by Bangladesh Bank			628.35
	dited by Bangladesh Bank			(207.33)
	d but not debited by Bank			408.68
_	d but not credited by Bank			(187.66
, and the second	·		 	642.04
	As per Bangladesh Bank Statement	As per Bank's ge	eneral ledger	Reconciling difference
	EUR	EUR	BDT	EUR
EUR Clearing account	11,387.65	9,576.16	861,854.40	1,811.49
	11,387.65	9,576.16	861,854.40	1,811.49
Bank credited but not de	bited by Bangladesh Bank			57.70
Bank debited but not cre	dited by Bangladesh Bank			(152.32
Bangladesh Bank credite	d but not debited by Bank			8,094.1
Bangladesh Bank debited but not credited by Bank			(6,188.00	
			'	1,811.49
	As per Bangladesh Bank Statement	As per Bank's ge	eneral ledger	Reconciling difference
	JPY	JPY	BDT	JPY
JPY Clearing account	45,238.00	45,238.00	24,880.90	
	45,238.00	45,238.00	24,880.90	

594,818,710.79

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List of Branches

Corporate Branch

Noor Tower (1st floor) 110, Bir Uttam C.R. Dutta Road Dhaka-1215

Ph: (02) 9674501-2 Fax: 880-2-9677032 Swift: BALBBDDH002

Manager: Mr. Md. Sazzad Hossain

Senior Vice President Mobile: 01819261195

Principal Office Branch

111-113, Motijheel C/A Dhaka - 1000 Ph: (02) 9571450-1 Fax: 880-2-9566223 Swift: BALBBDDH003

Manager: Mr. Md. Arfan Ali

Senior Vice President Mobile: 01714055619

Gulshan Branch

Bay's Gallaria (Ground Floor) 57, Gulshan Avenue Dhaka - 1212. Ph: (02) 8828103 Fax: 880-2-8816739 Swift: BALBBDDH004

Manager: Mr. Syed Iltefath Hussain

Vice President Mobile: 01199816784

Agrabad Branch

69, Agrabad C/A Chittagong.

Ph: (031) 714665, 724876 Fax: 880-31-714548 Swift: BALBBDDH005

Manager: Mr. A. K. Shahnawaj

Senior Vice President Mobile: 01711748449

Malkhanagar Branch

Taltola Bazar, Malkhanagar Munshigonj Ph: 01711 831040

Manager: Mr. Md. Moniruzzaman

First Assistant Vice President Mobile: 01711808393

Scotia Branch

32, Kazi Nazrul Islam Avenue Kawran Bazar, Dhaka - 1215 Ph: (02) 8110161, 8125011-2 Fax: 880-2-9123077 Swift: BALBBDDH

Manager: Mr. Mohammad Borhan Uddin

Senior Vice President Mobile: 01713303066

MCB Dilkusha Branch

4, Dilkusha C/A, Dhaka Ph: (02) 9568871-3 Fax: 880-2-9563649 Swift: BALBBDDH008

Manager: Mr. Rafiqul Hasan

Senior Vice President Mobile: 01199850905

MCB Sk. Mujib Road Branch

Ayub Trade Centre 1269/B, Sk. Mujib Road Agrabad C/A, Chittagong Ph: (031) 715125-7 Fax: 880-31-710352 Swift: BALBBDDH009

Manager: Mr. Swapan Dasgupta

Executive Vice President Mobile: 01819329060

Sylhet Main Branch

60, Niloy, Dargah Gate, Airport Road, Sylhet Ph: (0821) 712256 Fax: 880-821-722616

Manager: Mr. Niaz Ahmed Chowdhury

Vice President Mobile: 01711403989

Tarail Branch

Tarail Bazar Kishoreganj Ph: (09434) 75099 Fax: 880-9434-75099

Manager: Mr. A. K. M. Aminul Huq

Senior Executive Officer Mobile: 01711403322

MCB Banani Branch

A. R. Tower 24, Kemal Ataturk Avenue Banani, Dhaka - 1213 Ph: (02) 9885610, 9889104 Fax: 880-2-9882181

Manager: Mr. S.M. Iqbal Hossain

Vice President Mobile: 01713010968

Khatunganj Branch

Asia Centre 273/268, Khatunganj Chittagong Ph: (031) 610036, 638013 Fax: 880-31-632905 Swift: BALBBDDH013

Manager: Mr. A.K.M. Shaiful Islam Chowdhury

Vice President Mobile: 01713106206

Mitford Branch

Bismillah Tower 147/148, Mitford Road Dhaka - 1100 Ph: (02) 7320620 - 1 Fax: 880-2-7314999

Manager: Mr. Md. Tarek Hassan

Assistant Vice President Mobile: 01199818596

Uttara Branch

House - 79A, Road - 07, Sector - 4 Uttara Model Town, Dhaka Ph: (02) 8957427-9

Fax: 880-2-8957431

Manager: Mr. Md. Mortuza Ali

Assistant Vice President Mobile: 01711930353

Ashulia Branch

Chowdhury Plaza (1st Floor) Zamgara Bazar, Ashulia, Savar Dhaka

Dnaka

Ph: (02) 7790447 Fax: 880-2-7790448

Manager: Mr. Md. Anisur Rahman

First Assistant Vice President Mobile: 01716 866994

North South Road Branch

89, Shaheed Syed Nazrul Islam Shoroni North South Road, Dhaka Ph: (02) 9563768-9

Fax: 880-2-9563223

Manager: Mr. Zahirul Haque

Assistant Vice President Ph: 01819496187

CDA Avenue Branch

665, CDA Avenue GEC Mor, Chittagong

Ph: (031) 2863640, 2850091-2

Fax: 880-31-612933

Manager: Mr. Md. Mamun or Rashid

Assistant Vice President Mobile: 01713108838

Sylhet Uposhohor Branch

Rahim Tower

Subhanighat Bishwa Road, Sylhet

Ph: (0821) 815866 Fax: 880-821-830791

Manager:

Lohagara Branch

Mostafa Center Lohagara, Chittagong Ph: (030345) 6304 Fax: 880-30345-6305

Manager: Mr. Shabbir Ahmed Chowdhury

First Assistant Vice President Mobile: 01713111963

Dhanmondi Branch

Mehar Plaza House - 13/A , Road - 5 Dhanmondi R/A,Dhaka

Ph: (02) 8624874-5 04474650445-6 Fax: 880-2-9664640

Manager: Mr. Md. Zahid Hossain

Vice President

Mobile: 01199 819988

Station Road Branch

Mohiuddin Market (1st floor) 170, Station Road Chittagong

Ph: (031) 2850934-5 Fax: 880-31-2850936

Manager: Mr. Mohd. Shahabullah

Senior Vice President Mobile: 01713123130

Bashundhara Branch

House - 25, Block-A, Avenue Road Bashundhara R/A Dhaka

Ph: (02) 8401322, 8402021 Fax: 880-2-8401322, 8402021

Manager: Mr. Kazi Nowshaduzzaman

First Assistant Vice President Mobile: 01199 819944

Rajshahi Branch

Ahmed Plaza

182, Alu Patti, Ghoramara

Rajshahi

Ph: (0721) 812503-4 Fax: 880-721-812502

Manager: Mr. Md. Mozaffor Hossain

Vice President Mobile: 01713 302994

Khulna Branch

Al-Mashah Complex 44, Mojid Sarani KDA Avenue (Shib Bari Mor) Khulna

Ph: (041) 2830134-7 Fax: 880-41-2830135

Manager: Mr. Debasish Karmaker

Assistant Vice President Mobile: 01713 302993

Chatkhil Branch

Holding No. 3147, Khilpara Road, Chatkhil Bazar Chatkhil, Noakhali Ph: (03222) 75179 Fax: 880-3222-75179

Manager: Mr. Md. Shahidul Islam

First Assistant Vice President Mobile: 01818 090892

EPZ Branch

Zone Service Complex CEPZ, Chittagong Ph: (031) 800406, 800340 Fax: 880-31-801391

Manager: Mr. Saiful Islam

First Assistant Vice President Mobile: 01713 108867

Mohakhali Branch

82, Mohakhali C/A Dhaka-1212

Ph: (02) 8857236, 8857420 Fax: 880-2-8855431

Manager: Mr. Alamgir Hossain

First Vice President Mobile: 01713 041304

Mirpur Branch

Nishi Plaza

Plot No - 1, Avenue - 4 Section - 6, Block - C, Pallabi Mirpur, Dhaka-1216 Ph: (02) 9013841, 9013844 Fax: 880-2-9012122

Manager: Mr. K. S. A. Ansari

Assistant Vice President Mobile: 01713 013371

Anderkilla Branch

184, J.M. Sen Avenue

Anderkilla Chittagong Ph: (031) 2854882-3 Fax: 880-31-2854881

Manager: Mr. Ali Tarek Parvez

First Vice President Mobile: 01713 108833

Rohitpur Branch

Rima Plaza Rohitpur Boarding Keranigonj, Dhaka Ph: (02) 7766677 Fax: 880-2-7766600

Manager: Mr. Mark N. Chowdhury

Senior Executive Officer Mobile: 01715 496888

Bogra Branch

Jamil Shopping Centre, Baragola, Bogra Ph: 880-51-51642-4 Fax: 880-5178641

Manager: Mr. Md. Shahidul Islam

Assistant Vice President Mobile: 01713388647

Jessore Branch

Jess Tower (1st Floor) 39/M.K. Road, Jessore Ph: 0421-67748, 67783 Fax: 0421-67738

Manager: Mr. Sharder Nazrul Islam

First Assistant Vice President Mobile: 01711320683

Bahadderhat Branch

Mamtaz Tower 4540, Bahadderhat, Chittagong Ph: 031-2553741-44, Fax: +88-031-2553745

Manager: Mr. Muhammad Mahmud Alam

First Assistant Vice President Mobile: 01713108849

Shantinagar Branch

Treasure Island 42/43, Siddeshwari Circular Road,

Dhaka-1217 Ph: (02) 88333978-9 Fax: : 880-2-88333978

Manager: Mr. Md. Azharul Islam

First Vice President Mobile: 01199871144

Tongi Branch

Mariom Tower (1st floor) 13 Anarkoli Road Tongi Bazar Tongi, Gazipur Ph: 9816303-4 Fax: 880-9816306

Manager: Mr. Ibne Md. Shamsuzzaman

Assistant Vice President Mobile: 01715185473

Konabari Branch

Rupjan Tower Nilnagar, Konabari Gazipur Ph: 9298882-3 Fax: 880-9298885

Manager: Mr. Mohammad Aktar Hossain

Senior Executive Officer Mobile: 01713104432

	Shareholder's Note

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Shareholder's Note			



Corporate Office (Registered Office), Tea Board Building (1st floor) 111-113 Motijheel C/A, Dhaka-1000

FORM OF PROXY

l,	of, a
Member of BANK ASIA LIMIT	FED do hereby appoint Mr./Ms
of	, or failing him/her Mr./Ms
	as my proxy to vote for me and on my behalf at the Tenth
Annual General Meeting of the M	Members of the Company to be held on the 15th June, 2009 and at any
adjournment thereof.	
In witness my hand this	day of2009. Revenue Stamp Tk.8/-
	Signature of the Member
	Folio No
	BO ID
	Signature of Proxy
	Folio No
	BO ID BO ID
Witnesses:	
1	
2	
Sł	H Bank Asja nareholder's Attendance Slip
I hereby record my presence at	the Tenth Annual General Meeting of Bank Asia Limited held today the
	at Winter Garden of Dhaka Sheraton Hotel, 1 Minto Road, Dhaka-1000.
Folio No. :	
BO ID :	
Signature :	

(Please complete this slip and deposit at the registration counter on the day of the meeting)